

lish a Department of Fine Arts; to the Committee on the Library.

3524. By Mr. QUINN: Petition of the Westinghouse Local, No. 601, United Electrical and Radio Workers of America, endorsing legislation program of the Committee for Industrial Organization; to the Committee on Labor.

3525. By Mr. RICH: Petition of the McKean County (Pa.) Pomona Grange opposing the Black-Connery labor bill; to the Committee on Labor.

3526. Also, petition of the Lycoming County (Pa.) Pomona Grange, No. 28, opposing the Black-Connery labor bill; to the Committee on Labor.

3527. Also, petition of the Pomona Grange, No. 30, of Tioga County, Pa., protesting against the passage of the Black-Connery labor bill or any similar substitute; to the Committee on Labor.

3528. By Mr. SHANLEY: Petition of the Inter-Veteran Association on the German-American Bund in America; to the Committee on the Judiciary.

3529. By the SPEAKER: Petition of the Junior Order of United American Mechanics, State Council of New Jersey, Trenton, N. J., regarding the appointment of a special committee of the Senate and House to investigate and determine, in their opinion, the origin and development of the stars and stripes flag; to the Committee on the Library.

3530. Also, petition of the National Social Security Protective Association of America, relating to taking care of citizens because of the failure of banks and building and loan associations; to the Committee on Ways and Means.

3531. Also, petition of the Council of American Mariners, New York, N. Y., concerning the Panama Canal tolls; to the Committee on Ways and Means.

SENATE

TUESDAY, DECEMBER 7, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

RUSH D. HOLT, a Senator from the State of West Virginia, appeared in his seat today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, December 6, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pittman
Andrews	Copeland	La Follette	Pope
Ashurst	Davis	Lee	Radcliffe
Austin	Donahay	Lewis	Reynolds
Bailey	Duffy	Lodge	Russell
Bankhead	Ellender	Logan	Schwartz
Barkley	Frazier	Loneragan	Schwellenbach
Berry	George	Lundeen	Sheppard
Bilbo	Gerry	McAdoo	Shipstead
Borah	Gibson	McGill	Smith
Bridges	Gillette	McKellar	Steiwer
Brown, Mich.	Glass	McNary	Thomas, Okla.
Brown, N. H.	Graves	Miller	Thomas, Utah
Bulkeley	Green	Minton	Townsend
Bulow	Guffey	Moore	Truman
Burke	Harrison	Murray	Tydings
Byrd	Hatch	Neely	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Capper	Herring	Nye	Wagner
Caraway	Hitchcock	O'Mahoney	Walsh
Chavez	Johnson, Calif.	Overton	White
Clark	Johnson, Colo.	Pepper	

Mr. WHITE. I announce the unavoidable absence of my colleague the senior Senator from Maine [Mr. HALE]. My colleague is suffering from a slight cold, and, during these inclement days, it seems prudent that he should stay inside.

Mr. LEWIS. I announce that the Senator from Washington [Mr. BONE] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

My colleague the junior Senator from Illinois [Mr. DIETERICH] is detained in Springfield, the capital of the State of Illinois, on official business.

The Senator from Connecticut [Mr. MALONEY], the Senator from Montana [Mr. WHEELER], and the Senator from Nevada [Mr. McCARRAN] are necessarily detained.

I ask that this announcement go in the RECORD for the day.

Mr. BARKLEY. Mr. President, in addition to the announcement just made, I wish to announce that members of the Banking and Currency Committee are engaged in holding hearings on the housing measure.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

PETITIONS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Frank White, of Atlanta, Ga., praying that an old-age pension of \$30 per month be granted to ex-slaves, which was ordered to lie on the table.

Mr. LONERGAN presented resolutions of the Board of Selectmen of South Hadley; the Rod, Gun, and Revolver Club of Russell; the Holyoke Chapter of the Connecticut River Antipollution Association, and the Rod and Gun Club of East Long Meadow, all in the State of Massachusetts, favoring the enactment of the so-called Loneragan-Vinson bill, being the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, which are ordered to lie on the table.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE:

A bill (S. 3100) for the relief of Carl G. Lindstrom; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3101) to authorize the Secretary of War to grant a right-of-way for highway purposes upon and across Kelly Field, a military reservation, in the State of Texas; to authorize an appropriation for construction of the road and necessary fence lines; to the Committee on Military Affairs.

A bill (S. 3102) for the relief of the estate of Raquel Franco (with accompanying papers); and

A bill (S. 3103) for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama (with accompanying papers); to the Committee on Claims.

A bill (S. 3104) for the payment of claims of citizens of the United States against the Republic of Mexico; to the Committee on Foreign Relations.

By Mr. O'MAHONEY:

A bill (S. 3105) to amend the Commodity Exchange Act, as amended, to extend its provisions to wool and other agricultural commodities traded in for future delivery; to the Committee on Agriculture and Forestry.

By Mr. DAVIS and Mr. GUFFEY:

A joint resolution (S. J. Res. 236) authorizing the President to invite foreign countries to participate in the ceremonies to commemorate the one hundred and fiftieth anniversary of the national ratification of the Constitution of the United States in Philadelphia, Pa., June 17 to 21, 1938; to the Committee on Foreign Relations.

AGRICULTURAL RELIEF—AMENDMENTS

Mr. McAdoo submitted an amendment and an amendment in the nature of a substitute, Mr. AUSTIN and Mr. POPE each submitted an amendment, and Mr. BANKHEAD submitted three amendments intended to be proposed by them, respectively, to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in

interstate and foreign commerce, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. BANKHEAD (for the Committee on Agriculture and Forestry) submitted an amendment intended to be proposed to Senate bill 2787, the agricultural relief bill, which was ordered to lie on the table and to be printed.

THE POLITICAL SITUATION—ARTICLE BY LUCY SALAMANCA

[Mr. TRUMAN asked and obtained leave to have printed in the Appendix of the RECORD an article by Lucy Salamanca entitled "Nation Finds Generous Supply of Presidential Timber," published in the Washington Evening Star of December 5, 1937, which appears in the Appendix.]

PENNSYLVANIA BEGINNINGS IN THE COLONY OF NEW SWEDEN—ADDRESS BY HON. C. HALE SIPE IN THE SENATE OF PENNSYLVANIA

[Mr. DAVIS asked and obtained leave to have printed in the RECORD the remarks of Hon. C. Hale Sipe before the Pennsylvania Senate on April 13, 1937, on the subject of Pennsylvania Beginnings in the Colony of New Sweden, which appears in the Appendix.]

ADDRESS BY HON. JAMES A. FARLEY AT LANSING, MICH.

[Mr. BROWN of Michigan asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley, chairman of the Democratic National Committee, at Lansing, Mich., September 13, 1937, which appears in the Appendix.]

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess yesterday six amendments had been passed over. Is it the pleasure of the Senate to return to the amendments that were passed over and have them called in their order?

Mr. McNARY. Mr. President, I find myself mistaken. I did not offer an amendment to section 1, which is the declaration of principles, but I discussed it briefly. I think the first amendment passed over was passed over at the request of the Senator from Idaho [Mr. BORAH], and is found on page 3.

The VICE PRESIDENT. If any Senator desires an amendment to be further passed over, the Chair will put that request, and, if it is agreed to, continue with the amendments which have not so far been discussed.

Mr. McNARY. I have an amendment on page 4 that I am willing to take up at this time.

Mr. BORAH. Mr. President, it was at my request that the amendment on page 3 went over, and I am now prepared to submit that matter. I have no desire to have it go over further. I am ready to dispose of it.

The VICE PRESIDENT. The clerk will state, for the information of the Senate, the first amendment passed over.

The CHIEF CLERK. The first amendment passed over is, on page 3, line 20, to strike out the word "contacting" and insert the word "contracting."

Mr. BORAH. Mr. President, I desire to offer an amendment to that amendment. After the word "second", on line 22, I wish to insert the words "to contracting farmers." I assume that I can take out the word "contacting" before "farmers", in line 20. Then it would read:

Under adjustment contracts there shall be made available to farmers (hereinafter referred to as "cooperators"), first, Soil Conservation Act payments hereinafter specified; second, to contracting farmers, surplus reserve loans; and, third, parity payments.

My desire is so to amend the amendment as to eliminate the withholding of soil-conservation payments, but to permit the amendment to stand otherwise.

The VICE PRESIDENT. The clerk states to the Chair that he has not the verbiage of the amendment as modified by the Senator from Idaho, but the Senator from Idaho has

explained the matter, and the Chair assumes that the Senator is familiar with it.

Mr. BARKLEY. Mr. President, I am afraid that the amendment of the Senator from Idaho, coming at the place where he offers it, is not in order at this time. It would not be an amendment to the committee amendment. It would be an amendment to the text of the bill, and, therefore, would not be in order now.

Mr. BORAH. I think technically that is true, but would not unanimous consent be given for the consideration of the amendment at this time, in view of the fact that this subject cannot be reached except by amendment to the text of the bill? There is no way to reach the subject by dealing with the amendment itself alone. I have no desire to take out of the bill the provision limiting contracting farmers to loans and to parity payments, but I do not desire to have them deprived of soil-conservation payments.

Mr. BARKLEY. The committee amendment could be agreed to, and then, when we reach individual amendments the Senator could modify the provision with respect to soil-conservation payments in any way he might wish.

Mr. BORAH. The difficulty with that is that if we should adopt the amendment as it is, we never could so amend it as to eliminate soil-conservation payments.

Mr. BARKLEY. I do not agree to that.

Mr. POPE. Mr. President, will my colleague yield?

Mr. BORAH. I yield.

Mr. POPE. It seems to me that the bottom of page 3 would not be the proper place for the Senator to insert his amendment. The only purpose of the committee amendment there, of course, is to change the word "contacting" to "contracting"—merely the correction of a typographical error. Page 6, in the amendment which the Senator yesterday asked to have go over, I think might be the appropriate place for the amendment which the Senator desires to offer. Page 7, where there is an amendment specifying that in lieu of soil-conservation payments, parity payments shall be made, it seems to me might also be an appropriate place. I feel quite certain that the amendment would not be in order on page 3, however, where the committee amendment is merely for the purpose of correcting the spelling of a word.

Mr. BORAH. If it be the view of my colleague that this committee amendment simply changes the word "contacting" to "contracting", and leaves the matter entirely open to be dealt with on page 7, I have no objection.

The VICE PRESIDENT. The Chair wishes to state to the senior Senator from Idaho that the Parliamentarian suggests that in view of the fact that probably the adoption of this committee amendment now would cut off the Senator from an opportunity to offer an amendment later, he could make a motion to reconsider, and let that motion be pending, and when the proper time came later he could offer his amendment. Both remedies—that suggested by the junior Senator from Idaho, and that suggested by the Parliamentarian—might answer the purpose of the senior Senator from Idaho.

Mr. BORAH. As soon as that amendment shall be passed upon, then I shall make a motion to reconsider.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee on page 3, line 20, striking out "contacting" and inserting "contracting."

The amendment was agreed to.

Mr. BORAH. Now, Mr. President, I move to reconsider the vote by which this committee amendment was adopted, and will permit the motion to stand until we dispose of the matter on page 7.

The PRESIDENT pro tempore. The motion to reconsider will be entered.

The clerk will state the next amendment passed over.

The CHIEF CLERK. The next committee amendment passed over, at the request of the Senator from Oregon [Mr. McNARY], is on page 4, after line 11, to insert:

(c) The first adjustment contracts shall cover farming operations with respect to wheat and corn planted for harvest in 1938.

For years subsequent to 1938 new adjustment contracts shall be prepared for such additional periods, not to exceed 2 years, as the Secretary shall determine.

Mr. McNARY. Mr. President, last evening I stated that I thought there should be a limitation of time with respect to the operation of the bill. I stated before the committee, when I was there on Saturday, that I thought the life of the bill should not extend beyond 1940. That would give us 1938, 1939, and 1940 to try out the measure, which is an emergency measure after all. It does not matter whether we call it permanent legislation or not, it is not permanent legislation. Anyone knows that legislation is not permanent that deals only with five commodities, and those five commodities not so important as many other commodities grown by the farmers throughout the country. We are not going to enter upon permanent legislation unless it deals with all farmers and all commodities without discrimination and without favor and treats all on the same plane of equality. That is one thing about which I am certain.

This bill, as we all know, is an attempt to gather up the threads and stitches of the Soil Conservation Act and a further attempt to legalize, if possible, the old defunct and unconstitutional A. A. A. Act. It is not permanent and is rushed along this year in order to meet a situation which the Secretary of Agriculture says will result in overabundance in crop production in the season of 1938. Last evening as we were rushing along I suggested an amendment and asked that the committee amendment go over, which was consented to by the proponents of the measure. That amendment I now propose to offer.

It is difficult for anyone to frame an amendment to the language found on page 4 to make that amendment complete and to express the desire I have in mind, namely, a definite period for the operation of the bill. The bill was put together hurriedly and presents a spectacle of disjointed provisions. Therefore, I find it necessary to deal with three different parts of the bill.

Mr. POPE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. McNARY. I am very glad to yield.

Mr. POPE. It will be noted that in the original text of the bill, in line 2, is a provision:

For years subsequent to 1940, new adjustment contracts shall be prepared for such additional periods as the Secretary shall determine.

If I am not mistaken the Senator raised that question before the committee.

Mr. McNARY. Yes.

Mr. POPE. The amendment was adopted to meet the very situation he had in mind. It will be noted that a contract may be for the year 1938, and then for the years subsequent to 1938 new adjustment contracts shall be prepared for such additional periods not exceeding 2 years as the Secretary shall determine. In other words, the contract for 1938 will leave 2 years, 1939 and 1940, that might be covered by another contract. Then if the law should be changed there would be no outstanding contracts. My understanding was that the amendment was adopted at the suggestion of the Senator from Oregon to meet just that situation, and it seems to me it does meet it.

At any rate, the Secretary should not enter into a contract under the terms of the bill for a longer period than 1940, that is to say, a contract to expire in 1940, which would then leave the matter open for any amendment of the law which Congress might desire to make.

Mr. McNARY. Mr. President, this question was discussed before the committee, as I stated in the earlier part of my brief remarks, but the explanation of the able Senator from Idaho does not reach the heart of the matter I have in mind. This language unquestionably would limit the period over which the Secretary could make a contract. That does not cover what I want. I want to limit the operation of the bill itself, which is a very different matter.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McNARY. Certainly.

Mr. BARKLEY. Under the language of the committee amendment the Secretary of Agriculture after 1938 could make contracts for not to exceed 2 years at a time. If the Senator's amendment were adopted, the Secretary of Agriculture could make no contracts beyond 1940 unless Congress affirmatively reenacted the law. That is the situation. That is what the Senator seeks to do—to make the law temporary in its application unless Congress affirmatively reenacts it.

Mr. McNARY. Yes.

Mr. BARKLEY. Congress can at any time repeal the law if it does not want it to go beyond 1940 or 1942; but to adopt the amendment proposed by the Senator from Oregon would be to say that unless Congress affirmatively reenacts the law in 1940 it is dead. It seems to me that is what the Senator from Oregon is seeking to obtain.

Mr. McNARY. That is perfectly obvious. I thought I had made it quite as clear as has the Senator from Kentucky.

Mr. BARKLEY. No doubt the Senator did make it clear and I have confused it in my efforts to clarify it, for which I apologize to the Senator from Oregon.

Mr. McNARY. I think we have traced the same path and the Senator has been just as explicit as I have been, and I appreciate his efforts to assist.

Mr. President, the Senator from Idaho [Mr. POPE] discusses this matter from the standpoint that there should be a limitation on the period of years for which contracts may be made. I think there should be, too, and the bill amply covers that period of years. But I want to limit the operation of the bill itself to a stated definite time and to make it expire by limitation, as has been done with all bills which we have called emergent in character. I conceive this to be such a bill and properly belonging in that classification.

Mr. POPE. Mr. President, will the Senator yield further?

Mr. McNARY. Very gladly.

Mr. POPE. It occurs to me that to accomplish the purpose the Senator desires we should incorporate in the bill an independent provision saying that the bill is limited to a certain period, instead of seeking to put a limitation on this one part of the bill.

Mr. McNARY. I thank the Senator for that suggestion. I have an amendment which I shall offer and which I hope covers that situation. It not only attempts to do this by language to modify and clarify the section to which attention has been called, but also reaches back to the question of loans, which is necessary, as well as adjustment contracts and payments.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Washington?

Mr. McNARY. I yield.

Mr. SCHWELLENBACH. Is not the Senator attempting merely to make a temporary ever-normal granary? The possible danger of the establishment of a granary arises from the fact that there might be held in storage in this country a large amount of a commodity which would serve to depress the market in the same way the stabilization program depressed the market. If we adopt this amendment and say that in 1940 the whole plan shall be abandoned unless Congress reenacts the bill, will it not mean that those who have wheat and corn and cotton will know that when this period of time expires all the commodities which have been placed in the granary will be then placed upon the market, and will it not depress the market all the time between now and 1940 when the Senator would end the operation of the act?

Mr. McNARY. Mr. President, the able Senator from Washington is reiterating my argument of last week, that the ever-normal-granary plan is a good deal like Mr. Hoover's Federal Farm Board proposal. I concede these things are true. The ever-normal granary, if I may be distracted for a moment, would pile up a very visible quantity of grain or cotton, which would naturally depress the market because it would be physically in existence. It would have just the

same effect as the stabilization efforts had through the Federal Farm Board. It makes no difference whether the bill ends in 50 years or 3 years, it is an ever-present menace, not an ever-normal granary.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. ELLENDER. Is it not true that under the pending bill we seek to control production, whereas under the so-called Hoover plan there was no restriction on production? Farmers produced all they desired and the Export Corporation took over surpluses. Is not that the difference?

Mr. McNARY. That is a difference. I want to be fair, and so I say that is a substantial difference, but that does not change the philosophy of Mr. Hoover's proposal nor the philosophy of this bill nor the philosophy of the ever-normal granary.

I shall discuss that at the proper time. I have an amendment which I think covers what I have been attempting to discuss for a brief moment and I ask that it may be read by the clerk.

The PRESIDENT pro tempore. The clerk will read as requested.

The CHIEF CLERK. It is proposed, on page 4, beginning with the word "For", in line 14, to strike out through the period in line 16 and insert in lieu thereof the following:

New adjustment contracts shall be prepared covering farming operations with respect to wheat and corn planted for harvest in the years 1939 and 1940, and such contracts shall be for such period, not to exceed 2 years, as the Secretary shall determine.

On page 4, line 22, strike out the words "each subsequent year" and insert in lieu thereof "of 1939."

On page 83, after line 7, insert the following new section:

SEC. 67. No adjustment contract shall be entered into covering farming operations with respect to any commodity planted for harvest in any year subsequent to 1940, no marketing quota shall be established after January 1, 1941, with respect to any commodity covered by this act, and no loan shall be made after January 1, 1941, by the Surplus Reserve Loan Corporation.

Mr. McNARY. Mr. President, as I stated in the beginning of my remarks, it is necessary to treat several provisions of the bill in order to accomplish the purpose I have in mind, to wit, to place a limitation upon the provisions of the bill and its operation during a period of 3 years. I also recognize that under the parliamentary situation it is not quite appropriate to offer the amendment at this time because it goes beyond the language found on page 4, but does not go beyond the purpose expressed in that language. I think in fairness that probably the sponsors of the bill and others would like to have an opportunity to read the amendment when it is printed, and possibly I should wait until after the committee amendments have been either adopted or rejected.

I make the parliamentary inquiry, if I should not now offer the amendment for immediate consideration, might I not have an opportunity later, after we finish with the committee amendments, and individual amendments are in order, to take it up? Of course, it embodies both the substance of the bill as originally prepared and the amendments prepared by the committee.

The PRESIDENT pro tempore. The Chair is informed that a part of the Senator's proposed amendment is a substitute for subdivision (d), on page 4, and the amendment of the committee containing subdivision (d) has been adopted. It will be necessary, therefore, to move a reconsideration of the vote by which that subdivision was adopted so as to make the amendment to that part of the bill in order.

Mr. McNARY. I think the amendment covering subdivision (d), found on page 4, went over with the whole subject matter.

The PRESIDENT pro tempore. No; the Chair is informed that subdivision (d) was adopted.

Mr. McNARY. I ask unanimous consent that the vote by which the amendment containing subdivision (d) was adopted be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote is reconsidered, and, there-

fore, the amendment containing subdivision (d) is open to amendment.

In reply to the parliamentary inquiry as to whether or not the amendment may be offered to a different subject in the bill, the first two amendments offered by the Senator, being to the subject matter under consideration, would be in order. The other amendment would have to be offered separately, at the proper time, when the matter to which it relates comes up for consideration.

Mr. McNARY. As I stated, that illustrates the difficulty one has, in dealing with a subject matter which is spread over five agricultural commodities, treated differently, in perfecting an amendment that will accomplish a substantive change that is necessary both to modify the original text and the text as prepared in the nature of committee amendments.

I think that in all fairness, in the present parliamentary situation, I should ask unanimous consent that I might present the amendments at the appropriate time, after we conclude the consideration of committee amendments.

The PRESIDENT pro tempore. Is there objection?

Mr. POPE. Mr. President, I wish to state that, so far as the authors of the bill are concerned, we are perfectly willing to consider the amendments now. Of course, we have no objection to the present request of the Senator if that is what the Senate desires, but we have no objection to considering the amendments now and disposing of them.

Mr. McNARY. Very well. I thought the point had been raised, and I think it could be properly raised. If the authors of the bill are willing to consider the matters as one subject matter, namely, a limitation on the operation of the bill, that it shall expire following the crop season of 1940, very well.

Mr. POPE. I have no objection to the amendments being considered now. I do desire to be heard, however.

Mr. McNARY. Mr. President, has my time expired?

The PRESIDENT pro tempore. The Senator's time on the amendment has expired.

Mr. POPE. Mr. President, it will be at once apparent that the purpose of the legislation designed by the authors of the bill, and, as I think is indicated by the joint resolution of the Congress passed at the last session, will not be carried out if the amendment just offered by the Senator from Oregon shall be adopted. Calling the attention of the Senate again to the joint resolution passed by the Congress at the last session, it refers to the ever-normal granary, refers to loans in connection with it, refers to control of surplus, and then at the end of the joint resolution there is this language:

That abundant production of farm products should be a blessing and not a curse, that therefore legislation carrying out the foregoing principles will be first to engage the attention of the Congress upon its reconvening, and that it is the sense of the Congress that a permanent farm program based upon these principles should be enacted as soon as possible after Congress reconvenes.

During the hearings held by the subcommittee throughout the country farmers were asked as to whether they favored permanent legislation and testified on that subject.

I think no one subject matter is found more often discussed in the hearings than the matter of adopting a permanent program for agriculture. It is at once apparent that we would not be carrying out the joint resolution passed by the Congress at the last session, and it is also apparent to those of us who were on the subcommittee that the wishes of a great majority of those who testified would not be carried out, if we should adopt this amendment. Therefore, as one of the authors of the bill, I submit that the amendment would seriously impair the bill and would go far toward destroying its effect.

I wish to confirm what the Senator from Washington stated a few minutes ago—that the very purpose of an ever-normal granary and the limitations which are placed in the bill with respect to it so as to prevent happening that which happened in the case of the Farm Board would not be carried out.

It seems to me very clear that there is another distinction between the ever-normal granary and the storage of grain

by the old Farm Board; that is, that no portion of the grain stored under the pending plan could be sold for less than the parity price, and that seems to me to be very important. It should not affect the market, at least when the price was below parity. But under the old Farm Board program there was no such limitation. Every purchaser or prospective purchaser of a commodity knew that the Government could release those stocks on the market at any time in its own discretion. Therefore, it seems to me a very important difference exists between storage under the pending bill and storage by the Farm Board. So I think the purpose of the measure and the purpose of Congress in passing the joint resolution would not be carried out but would be destroyed by the amendment of the Senator from Oregon.

Mr. MCGILL. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield.

Mr. MCGILL. I also wish to call the attention of the Senator to the fact that in the beginning of the joint resolution, adopted by the two Houses of Congress, to which he has referred, on the first page, designating by letters the program to be adopted, the joint resolution provides, "Whereas, a permanent farm program should (a) provide," and so forth. Then later on in the joint resolution, where the principles to be embodied in the bill are set forth in numerical order, the joint resolution states, "Whereas it is the sense of Congress that the permanent farm legislation should be based upon the following fundamental principles." In addition to what the Senator has just called to the attention of the Senate, those provisions are in the joint resolution.

Then, in the resolution of the Senate directing the Committee on Agriculture and Forestry to hold hearings in order to determine the form legislation should take, the Senate specifically directed the committee to give consideration to the pending bill. Those matters must have been in the minds of the Senate and of the Congress at the time.

Mr. NORRIS. Mr. President, I am not interested in whether this is permanent or emergency legislation, so far as the proposed amendment is concerned. Even though the committee were directed to bring in a proposal for permanent legislation, if they did not do so, but brought in a bill providing for what the Senator from Oregon calls emergency legislation, it would not be made permanent by calling it so. I think, however, it will be permanent unless we adopt the Senator's amendment, because there is nothing in the bill to limit its terms or provide for its expiration.

As I view it, however, that is not so material. The Senate might now be justified in passing the joint resolution which was passed, but, as I see it, this matter is a vital one. If the bill shall become a law and the normal granary shall be established, no one now knows whether there will be anything in that normal granary in 1940 or not. If there should be nothing in it, if no cotton or wheat or corn should be stored in it, the amendment would do no harm, but if any cotton or wheat or corn should be in the granary, as probably will be the case in 1940, at least as to some of the commodities, the adoption of the amendment would destroy the efficacy of the whole law. There would be stored in the normal granary a quantity of either wheat or corn or cotton, or all of them, perhaps a large amount of some of them, and the law would expire in 1940. There would be on hand in the normal granary a large amount of wheat, we will say. It seems to me the effect of that wheat stored in the normal granary would be to absolutely kill the market. That would be a natural consequence.

Mr. POPE. Mr. President, would not the situation then be almost exactly analogous to the situation during the existence of the Farm Board?

Mr. NORRIS. I think so; but I do not desire to discuss that Board, or to cast any reflections on it. It is dead, and let it sleep in peace, if it is possible. I myself voted for the bill for the creation of that Board, on the theory that it might do some good, although I expressed a doubt about it at the time.

It seems to me to follow that if we store a large amount of farm products in a granary and make no provision about releasing them or holding them off the market, then we might just as well not provide for a normal granary, we might just as well not pass the bill at all, because it would follow that from this moment, not commencing in the future but now, the fear that there might be and probably would be a large amount of one of these products stored in the normal granary would affect the market, and the purpose of having a normal granary would be nullified.

It seems to me we are faced with the question whether we want to store up a large amount of wheat and make no provision for retaining it in the granary and keeping it off the market, as the proposed law would, and if that is the desire, we ought to realize that we would nullify and make almost useless and nonworkable the entire law we are asked to enact.

Mr. BARKLEY. Mr. President, I rise merely to emphasize what the Senator from Nebraska has already said, and said much better than I could say it.

I wish to advert to one suggestion of the Senator from Oregon. He offers his amendment because, he says, this is an emergency piece of legislation and, therefore, its life ought to be limited to the emergency. This is only emergent legislation so far as the crop of 1938 is concerned. We were called into extra session to pass a farm bill in order that it might be enacted before the ground is prepared for the crop of 1938, so that every farmer, and the Department of Agriculture, which will have to administer the act, would know in advance what could be done and what ought to be done with respect to the crop of 1938.

So far as all the subsequent crops are concerned we might as well not have been called into extra session. We could have passed a bill dealing with 1939 and 1940 in the future, without then worrying about 1938; but now the situation may be emergent, so far as 1938 is concerned, in the sense that the farmers ought to know what sort of law is going to be on the statute books and the Department of Agriculture ought to know what law it has to administer.

Mr. President, the whole purpose of the Committee on Agriculture and Forestry, without regard to the resolution that was adopted in the last session, has been to provide a permanent agricultural policy and program. Any law is permanent only to the extent that Congress permits it to remain permanent. Congress can repeal this whole law in 1938, in 1939, or in 1940, or in any other year. If Congress is dissatisfied with the operation of the act, it would be just as easy to repeal it in 1940 and write a new one, and probably it would be more easy than it would be to reenact the law, by reason of the limitations placed upon it by the Senator's amendment.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I should like to call the Senator's attention to the fact that, if we were to repeal the act while commodities were stored in the ever-normal granary, then we would be in duty bound to the farmers, and to the entire country for that matter, to make a provision in the repealing act by which we would prevent that stored product from coming on the market and thus depressing the market.

Mr. BARKLEY. I agree with the Senator from Nebraska. While Congress can repeal the act at any time, it would be under a moral obligation to make provision for distribution or disposition of any surplus that was on hand that had been created under this measure while it was alive.

Let us suppose that the amendment of the Senator from Oregon is adopted, which in effect limits the operations of this bill to 3 years, 1938, 1939, and 1940. Suppose next year there should be an unusual surplus of wheat or corn or cotton or any other commodity. Suppose there should be an unusual surplus for all 3 of these years, and such surplus should be accumulated under the provisions of the act, and the act automatically should come to an end at the end of 1940. There would then exist more than a normal granary; we would have a supernormal granary filled with these products,

without any provision of law whereby the Government, or the Department of Agriculture, or the farmers themselves, could know what to do with them or how to distribute them or dispose of them. It seems to me that that would certainly create what in vulgar terms we call a "glut" in the market, which would be more disastrous than if we did not pass any law at this time.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McGILL. With the certainty that the law would become inoperative after 1940, and with the building of a normal granary during the period between the present time and the close of 1940, would not that of itself have a tendency at all times from now on to hold market prices down in this country on the commodities affected?

Mr. BARKLEY. Of course it would, because everyone, including the farmer, and the Department of Agriculture, and the whole economic system, insofar as it may be affected by agricultural conditions, would have before them this constant threat, would have this sword of Damocles hanging over their heads for the next 3 years, so no one would know what to depend on, or how to make his arrangements.

Mr. President, it seems to me the amendment ought to be defeated.

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator desire to speak on the bill?

Mr. McNARY. I desire to occupy some of the time that is left me, and, of course, that is on the bill.

The only purpose I have in offering the amendment is that when we enact this measure we do not attempt to make it permanent, because we are dealing only with a few of the great major commodities of the country. Secondly, I think a 3-year term of experimentation is ample for this bill. In my opinion, there is no merit in the argument or the suggestion of the Senator from Nebraska [Mr. NORRIS] that such a provision would affect the ever-normal granary. If so, that argument could also be made against the repeal of the bill itself, because there would be something in the granary. It can be argued that at the end of 3 years, if we desire to continue the measure, we can make such adjustment by legislation as is necessary to dispose of the product in the ever-normal granary. That is a very shallow and thin argument.

Mr. President, I am trying to deal here with a limitation upon a bill that is unquestionably—and that has not been disputed—emergent in its character. If at the end of 3 years there will be anything in the ever-normal granary, which I should doubt very much, then, if we want to continue the act, we can deal with the surplus, or if we see that legislation is necessary to meet a situation then existing, it can be effected very quickly by the Congress. My purpose in asking the adoption of the amendment is to get an expression from the Congress as to whether it wants to treat this proposed legislation as permanent legislation, thereby discriminating against all the other agricultural commodities in this country, or whether the Congress desires to deal with it for a reasonable period of time so that we may determine its efficacy.

On the amendment, Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. The Senator from Oregon [Mr. McNARY], under the unanimous-consent agreement, has the right to offer the amendment to subsection (d) and also his amendment on page 83.

Mr. McNARY. Mr. President, I should hate to have this time taken out of my time.

The PRESIDENT pro tempore. The time consumed with respect to the parliamentary discussion will not be taken out of the Senator's time.

Mr. McNARY. We are dealing with a substantive provision of this bill, namely, the limitation, but it happened to come up in three different ways. Hence the amendment refers to three different propositions. I think a vote on all of them is the only proper vote to be taken. The amendment should not be cut into three parts.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the three amendments be voted on en bloc. They all involve the same proposition.

Mr. McNARY. Yes. There are not three amendments. The amendment treats of three different propositions, all referring to one effort; that is, to limit the operation of this bill. I think the request of the Senator from Kentucky [Mr. BARKLEY] is a very reasonable one and necessary.

The PRESIDENT pro tempore. Without objection, the three amendments will be voted on en bloc.

The amendments will be stated.

The LEGISLATIVE CLERK. On page 4, beginning with the word "For", in line 14, it is proposed to strike out through the period, in line 16, and insert in lieu thereof the following:

New adjustment contracts shall be prepared covering farming operations with respect to wheat and corn planted for harvest in the years 1939 and 1940, and such contracts shall be for such periods, not to exceed 2 years, as the Secretary shall determine.

On page 4, line 22, it is proposed to strike out "each subsequent year" and insert in lieu thereof "of 1939."

On page 83, after line 7, it is proposed to insert the following new section:

SEC. 67. No adjustment contract shall be entered into covering farming operations with respect to any commodity planted for harvest in any year subsequent to 1940; no marketing quota shall be established after January 1, 1941, with respect to any commodity covered by this act; and no loan shall be made after January 1, 1941, by the Surplus Reserve Loan Corporation.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pittman
Andrews	Copeland	La Follette	Pope
Ashurst	Davis	Lee	Radcliffe
Austin	Donahey	Lewis	Reynolds
Bailey	Duffy	Lodge	Russell
Bankhead	Ellender	Logan	Schwartz
Barkley	Frazier	Lonergan	Schwellenbach
Berry	George	Lundeen	Sheppard
Bilbo	Gerry	McAdoo	Shipstead
Borah	Gibson	McGill	Smith
Bridges	Gillette	McKellar	Steiwer
Brown, Mich.	Glass	McNary	Thomas, Okla.
Brown, N. H.	Graves	Miller	Thomas, Utah
Bulkeley	Green	Minton	Townsend
Bulow	Guffey	Moore	Truman
Burke	Harrison	Murray	Tydings
Byrd	Hatch	Neely	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Capper	Herring	Nye	Wagner
Caraway	Hitchcock	O'Mahoney	Walsh
Chavez	Johnson, Calif.	Overton	White
Clark	Johnson, Colo.	Pepper	

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. JOHNSON of California. Mr. President, the amendment offered by the Senator from Oregon presents, it seems to me, a very important question indeed. Within the limits of a half an hour this very important question is asked to be determined by the Senate. The question arises as to the permanency or the temporary character of the bill. With all that goes with this bill we are asked by some Senators to accept it as a permanent measure. The Senator from Oregon seeks to have us accept it solely as a temporary measure. I care not whether the resolution passed by the House and the Senate some time since preferred a permanent measure. We know the disabilities under which our committee has been laboring. We know all the troubles and tribulations of the individual members of that committee. We know that they have been unable to present here a bill that commends itself to the best thought of the Senate as a permanent measure.

Why should the measure then be voted by us now as a permanent measure? The Senator from Kentucky [Mr. BARKLEY] says that if it be considered a permanent measure we will have the right by and by, when the time limit shall arrive, of determining its particular character and possibly repealing it. But he has taken the other way round, as it were. We ought to provide that a measure of this character

should be limited to a particular time, and then if it be shown to have brought good we may vote for it and extend the time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. JOHNSON of California. Yes.

Mr. BARKLEY. Of course, all legislation entering a new field is more or less experimental. If what the Senator suggests would be wise with respect to this bill, why would it not be wise to limit all laws that enter any new field or set up any new program to a temporary period, until we find out how they are going to work?

Mr. JOHNSON of California. In answer to the Senator from Kentucky, I will say that it might be wise if experimental legislation were enacted for a temporary period, and then we had the opportunity of coming here again and determining just exactly how it had worked in practice.

Mr. BARKLEY. Mr. President, will the Senator yield further at that point?

Mr. JOHNSON of California. Yes.

Mr. BARKLEY. Does the fact that any measure of this sort does not carry a limitation prevent Congress from reconsidering it at any time?

Mr. JOHNSON of California. Why, of course not; but the difficulty of reconsidering it is perfectly obvious, in view of the necessity of the two Houses of Congress acting upon the measure that is written into law; the other mode being that when it is made of temporary character it may be renewed if necessary.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Nebraska?

Mr. JOHNSON of California. I yield.

Mr. NORRIS. I should like to ask the Senator what he thinks would happen if, in the meantime, we had a large amount of grain stored in the ever-normal granary, and the law ended all at once; whether that would not have such an effect on the market as to make the whole plan useless.

Mr. JOHNSON of California. If it be obvious that that will be the result, the Senate and the House can renew the law, extend it, and the like. We shall have time to learn whether or not today's action has been wise; and that is what I should like, with this sort of law—that we take the time to enable us to determine the wisdom of our action. We have often taken too little time for the determination of such questions.

Mr. President, I have little to say in regard to the matter, except that here is a bill that is contentious in character, that is controversial in aspect, that has been presented to the people of this land; and every sort of farm organization save one, perhaps, is opposed to it. Here is a bill that deals with men's lives in a fashion in which ordinarily we would not be dealing with them. Here is a bill that regiments the entire farming community in respect to certain industries. Let us do it if it be necessary, but let us have an opportunity to put a brake upon the law if experience shall teach us in 2 or 3 years that it has not been wisely enacted. That is all that the amendment of the Senator from Oregon does; and because that is all the amendment does, I favor it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. McNARY] to the amendment of the committee.

Mr. McNARY. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BYRNES (when his name was called). I have a pair with the Senator from Maine [Mr. HALE], who is detained because of illness. I transfer that pair to the Senator from Rhode Island [Mr. GREEN], and will vote. I vote "nay." I am advised that if the Senator from Maine [Mr. HALE] were present he would vote "yea."

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I do not know how he would vote if present, and

therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. LEWIS (when Mr. WAGNER's name was called). I am permitted to announce that the Senator from New York [Mr. WAGNER] is detained at a department. This fact accounts for his absence at this time.

The roll call was concluded.

Mr. LEWIS. I announce that my colleague [Mr. DIETRICH], were he present and voting, would vote "nay" on this question.

I further announce that the Senator from Washington [Mr. BONE] and the Senator from Delaware [Mr. HUGHES] are detained from the Senate because of illness.

The Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

The Senator from Nebraska [Mr. BURKE], the Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], the Senator from Connecticut [Mr. MALONEY], the Senator from California [Mr. McADOO], the Senator from Indiana [Mr. MINTON], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Montana [Mr. WHEELER] are necessarily detained.

The result was announced—yeas 25, nays 51, as follows:

YEAS—25

Adams	Capper	Lee	Townsend
Austin	Copeland	Lodge	Tydings
Bailey	Davis	McNary	Vandenberg
Borah	Frazier	Nye	Walsh
Bridges	Gerry	Pittman	
Bulkley	Gibson	Russell	
Byrd	Johnson, Calif.	Steiwer	

NAYS—51

Andrews	Connally	La Follette	Overton
Ashurst	Duffy	Lewis	Pepper
Bankhead	Ellender	Logan	Pope
Barkley	George	Loneragan	Radcliffe
Berry	Gillette	Lundeen	Reynolds
Bilbo	Graves	McGill	Schwartz
Brown, Mich.	Guffey	McKellar	Schwellenbach
Brown, N. H.	Harrison	Miller	Sheppard
Bulow	Hatch	Moore	Smith
Byrnes	Hayden	Murray	Thomas, Utah
Caraway	Herring	Neely	Truman
Chavez	Hitchcock	Norris	Van Nuys
Clark	Johnson, Colo.	O'Mahoney	

NOT VOTING—20

Bone	Green	McAdoo	Smathers
Burke	Hale	McCarran	Thomas, Okla.
Dieterich	Holt	Maloney	Wagner
Donahay	Hughes	Minton	Wheeler
Glass	King	Shipstead	White

So Mr. McNARY's amendment to the amendment of the committee was rejected.

Mr. KING subsequently said: Mr. President, I am not sure as to the rule. As soon as I was advised that a vote was to be had I rushed as rapidly as I could from my office to the Senate Chamber, as I desired to vote on this amendment. I ask unanimous consent that the RECORD may show that I voted for the amendment of the Senator from Oregon.

The PRESIDENT pro tempore. The Chair regrets to inform the Senator from Utah that the rule prevents that being done, and that is one rule which cannot be waived.

The question now is on agreeing to the amendment of the committee.

The amendment of the committee was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment passed over.

The LEGISLATIVE CLERK. The next committee amendment passed over is, on page 6, line 21, after the word "effect", where it is proposed to strike out down to and including the word "contract" in line 6, page 7, in the following words:

No soil-conserving (class I) payment under the Soil Conservation and Domestic Allotment Act, as amended, shall be payable with respect to cotton, wheat, field corn, rice, or tobacco (except flue-cured, Maryland, and burley), but in lieu thereof cooperators shall receive the parity payments under adjustment contracts. All such soil conserving payments with respect to other agricultural commodities, and all soil-building (class II) payments under said act shall, if the farmer is eligible to enter into an adjustment contract, be paid to him only if he has entered into such a contract.

And in lieu thereof to insert:

Soil Conservation Act payments shall, if the farmer is eligible to enter into an adjustment contract, be paid to him only if he has entered into such a contract; and, in lieu of the payments under such act with respect to wheat and corn produced for market, cooperators shall receive the parity payments under adjustment contracts: *Provided*, That if for any year the eligible farmer produces no wheat or corn for market, but devotes to soil-conserving uses the acreage customarily devoted to such production of wheat or corn, then the farmer shall not be denied Soil Conservation Act payments for such year by reason of his failure to enter into an adjustment contract.

Mr. BORAH. Mr. President, that is one of the amendments which I asked to have go over, and I am going to ask that it go over a second time. The senior Senator from Louisiana [Mr. OVERTON] has an amendment touching the same subject matter, and I ask that this amendment go over until I can confer with him. I think the matter can be settled by an amendment based upon the principle which the Senator from Louisiana has included in his amendment; and I should like to have this amendment go over until we can have a conference on the matter.

The PRESIDENT pro tempore. The Senator from Idaho asks that the amendment be again passed over. Is there objection? The Chair hears none.

The clerk will state the next amendment passed over.

The LEGISLATIVE CLERK. The next committee amendment passed over is on page 8, line 14, where it is proposed to strike out down to and including line 2, on page 9, in the following words:

(b) Each adjustment contract shall include a provision that the Secretary shall, whenever necessary in order to carry out during any marketing year the declared policy of this act with respect to any major agricultural commodity, require during such marketing year or within 30 days prior thereto that each cooperator engaged in producing the commodity for market store under seal, until the expiration of such marketing year or such shorter period as the Secretary shall prescribe, his stock of such commodity up to an amount not exceeding 20 percent of the crop harvested by him during the calendar year in which such marketing year begins. Such cooperator shall be entitled to obtain from the Corporation surplus reserve loans with respect to stocks stored in accordance with this subsection.

And in lieu thereof to insert a new subsection (b), as follows:

(b) The Corporation is directed to make available loans on cotton and may make loans available on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton. Loans made pursuant to this subsection shall be made on the security solely of stocks of the commodity insured and stored under seal. The amount, terms, and conditions of such loans shall be fixed by the Corporation, taking into account the maintenance of foreign outlets for the commodity and the effect of prospective production of the commodity on the value of the stock of the commodity held or to be acquired as security for the loan.

Mr. McNARY. Mr. President, when that amendment was read yesterday I observed the absence of the Senator from Mississippi [Mr. BILBO], who, I am advised, caused this paragraph to be written into the bill. That is the reason why I asked that the amendment go over. I think I understand it so far as that is concerned.

I observe that the Corporation is directed to make available loans on cotton. There is a mandatory direction to make loans on cotton. It is also provided that the Corporation may make loans available on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton.

I do not quite understand the contradictory terms of the amendment. The Secretary must make loans on cotton. He may make loans on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton. It would seem that in the first sentence on page 9, in line 5, loans on wheat, corn, and cotton are prohibited, whereas in line 4 of the same page the Corporation is directed to make loans on cotton.

I ask the Senator from Mississippi what construction he places on the language which to me is clearly contradictory; and even if it is not contradictory I inquire, What is the purpose of discriminating against loans on wheat and corn?

Mr. BILBO. There is no desire to make it different from the requirements for loans on the other commodities. If the phraseology makes it mandatory, I have no objection to

changing it to conform to the language relating to the other loans.

Mr. McNARY. It is very obvious that a specific direction is made to the Corporation to loan money on cotton. Then it is also equally obvious that the loans cannot be made on wheat and cotton. What does the Senator want with regard to cotton? Does he want a loan or does he not want a loan?

Mr. BILBO. I want a loan.

Mr. McNARY. Is the Senator satisfied that this language would give him a loan?

Mr. BILBO. I have no desire to make it mandatory, but merely to put it in the class with other commodities.

Mr. McNARY. Aside from that the Senator's amendment provides in one breath that the loans shall be made on cotton and in the next breath he says that they shall not be made on cotton. Does he want a loan on cotton or does he not want a loan on cotton?

Mr. SHIPSTEAD. Mr. President, I suggest to the Senator from Oregon that the Secretary should be directed to make a loan on cotton just as he makes it on the other commodities.

Mr. McNARY. Yes.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. BARKLEY. Undoubtedly there is merit in the criticism of the Senator from Oregon as to this language. It starts out by making loans on cotton mandatory and then provides that the Secretary or the Corporation "may" make available loans on rice, tobacco, and all other products except wheat, corn, or cotton. I do not know whether that means all other agricultural products outside of the scope of the bill or not. It seems to me the provision for availability of loans ought to be equally applicable to all commodities covered in the bill. The language should make loans available within the discretion of the Corporation on cotton, rice, tobacco, wheat, and corn. If that is what is intended, it is not accomplished by what the language itself provides.

Mr. POPE. Mr. President, will the Senator from Oregon yield?

Mr. McNARY. Certainly.

Mr. POPE. I agree with the Senator from Oregon that the language is involved and contradictory. There is a provision elsewhere in the bill for loans on wheat and corn, and I assume it was the intention of the Senator from Mississippi [Mr. BILBO] to make loans available on cotton and other commodities, but certainly the language in line 5, "other than wheat, corn, or cotton," should be stricken out in order to make it intelligent. The first part of it does provide for a mandatory loan on cotton and a permissive loan on rice, tobacco, and other agricultural commodities. It seems to me the criticism of the Senator from Oregon is entirely correct as to the language, although I think it is the desire of those representing the cotton States, in general terms, that loans might be made available, at the discretion of the Corporation, to be made on cotton and other commodities included in the bill.

Mr. McNARY. There is more to the amendment than that. The language makes it plain that the Surplus Reserve Corporation "shall" loan money on cotton and it "may" loan on other commodities. That is a discretionary power. I am inclined to believe it is a very good amendment that far. I think if we are to set up a \$600,000,000 corporation, as provided in the bill, with \$100,000,000 for capital stock and permission to issue debentures up to five times its capital stock, which would make \$600,000,000 in all, that the \$600,000,000 should be available to every farmer in the country irrespective of the results of the last election.

The bill is still constructed along discriminatory lines of course, which I thoroughly understand and have tried to point out from time to time. If we are not to give adjusted payments to cattle growers and chicken raisers and fruit producers and vegetable producers, something ought to be given to them in this bill and this is the first attempt to give them any consideration whatsoever in comparison with the other so-called basic agricultural commodities. If we are to have a loan corporation which has \$600,000,000 available for loans,

I should very much like to have this particular language in the amendment changed. It is confusing and contradictory as it now reads.

I think there is at least a modicum of merit in the amendment when it provides that the money shall be available to all agricultural commodities. I can conceive of apple growers in Washington and Oregon and citrus growers in Florida and California and potato growers in Idaho and Maine—and I might go through the category of agricultural commodities—who might want to take advantage of this low rate of interest from the corporation and would be entitled to this benefit quite as much as the man who raises the commodities which are specified and benefited in the bill. That part of it I favor. But the language of the bill, as I have pointed out, says in one place the corporation can loan on cotton and in another place that it cannot loan on cotton, and is denied from lending to wheat and corn. I think we ought to pass the amendment over until it can be worked out and put in understandable shape, or defeat it in its present form.

Mr. BORAH. Mr. President, I desire to suggest a possible way out of the difficulty. Strike out the words "is directed to" and insert "may", and then strike out the words "on cotton and may make loans available on rice, tobacco, and"; then strike out the words "other than wheat, corn, or cotton", so it would read:

The Corporation is directed to make available loans on all agricultural commodities.

That would leave it to the discretion of the Corporation to make whatever loans it pleased on whatever commodities the exigencies might require. It would be wholly within the discretion of the Corporation.

Mr. McNARY. That covers my proposition entirely. It would permit the Corporation to lend Government money to the producers of all agricultural commodities, irrespective of whether they are enumerated in the bill. It is the only fair provision which I have found in a bill otherwise wholly discriminatory.

Mr. BARKLEY. Mr. President, let me ask the Senator from Oregon a question, and I should like at the same time to have the attention of the Senator from Mississippi [Mr. BILBO].

Mr. McNARY. I yield to the Senator from Kentucky.

Mr. BARKLEY. What is the reason for making any difference between the mandatory character of the loans as among the five commodities dealt with in the bill? If there is any reason why the loans should be mandatory on wheat, corn, and cotton, and not mandatory on tobacco and rice, I should like to know the reason. It does not occur to me at the moment.

Mr. POPE. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I have not the floor, but the Senator from Oregon has left his place, and so I will take the floor. I yield to the Senator from Idaho.

Mr. POPE. It will be noted on page 7, under the title "Surplus reserve loans," that the Corporation—

Is directed to make available surplus reserve loans upon wheat or corn produced for market at the loan rates prescribed in schedule A of this title, based on the parity price, and the relationship of the total supply to the normal supply, as proclaimed at the beginning of the marketing year.

The reason for that is that under schedule A, when certain conditions are found to exist, when the price falls below parity and when the total supply reaches a certain level, loans must be made. That contemplates the establishment of an ever-normal granary. When an ever-normal granary is established then the Secretary must make loans. But since the ever-normal-granary feature does not apply to cotton, and schedule A does not apply to cotton as to loans nor tobacco nor rice, it seems to me it would be entirely appropriate to adopt the amendment of my colleague, the senior Senator from Idaho [Mr. BORAH], because even though we use the word "directed" in subsection (b) at the top of page 9, further on in another provision the matter is left discretionary with the Corporation anyway. It is

provided that the amount, terms, and conditions of such loans shall be fixed by the Corporation, taking into consideration various things.

Mr. BARKLEY. The question has been raised whether the loans must be available to all agricultural commodities outside of those specified in the bill—wheat, corn, cotton, rice, and tobacco. It seems to me that would bring endless confusion because the language "loans made pursuant to this subsection shall be made on the security solely of stocks of the commodity insured and stored under seal," is contained in the paragraph.

Mr. POPE. But I call the attention of the Senator from Kentucky—

Mr. McNARY. Mr. President, I have only 15 minutes, and I cannot permit my time to be occupied in this way.

Mr. BARKLEY. I thought the Senator had left and that I had taken the floor in my own time. I did not understand I was intruding upon the Senator's time. The Senator yielded to me and I thought he had left, and so I undertook to take the floor myself.

Mr. McNARY. I merely stepped to the desk to consult the Parliamentarian, but not to leave the Chamber.

Mr. BARKLEY. I thought I was occupying my own time.

Mr. McNARY. Very well; I yield the floor so the Senator from Kentucky may take it.

Mr. BARKLEY. I yield to the Senator from Idaho.

Mr. POPE. Mr. President, I was attempting to answer the question with reference to corn and wheat by saying that the Secretary has no discretion in the matter as to when loans shall be made when he establishes an ever-normal granary under schedule A.

Mr. BARKLEY. When wheat and corn qualify under the terms of this bill then it is mandatory under this language that he shall make the loans. This language attempts to deal with cotton, tobacco, and rice.

Mr. POPE. Yes.

Mr. BARKLEY. I take it the purpose is to make all three of those crops stand on the same basis among themselves.

Mr. POPE. It was the thought of those representing cotton that a general provision, authorizing the Corporation to make loans with reference to cotton, would be satisfactory. Therefore, since cotton does not come under schedule A, somebody would have to decide when such loans should be made. My understanding was that would be left to the Corporation and the Secretary of Agriculture. The same situation does not exist as to cotton. I have no objection to the use of language providing that the Corporation shall make available loans on cotton, rice, tobacco, and other commodities. I think it may be just as necessary that the Corporation have authority to make loans on other commodities.

Mr. BARKLEY. I do not object to that if the requirement as to storage and insurance are complied with, which is one of the conditions under which a loan may be made.

Mr. POPE. In the minds of the committee I am very sure that the use of the term "solely of stocks of the commodity insured and stored under seal" had to do with security for the loan. In any event, when the loan was made the commodity should be stored under seal.

Mr. BARKLEY. Not necessarily stored under seal as provided in the sections of the bill.

Mr. POPE. Oh, no.

Mr. MCGILL. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. MCGILL. In order that we may not be misunderstood, I think it was the view of the committee, in adopting this amendment, that the loans were not to be limited to just the commodities named in the bill, but it was the view of the committee that it would be in the power of the Corporation to make loans on other agricultural commodities.

Mr. BARKLEY. That is all right. I merely wanted to clear that up.

Mr. MCGILL. I think the language employed by the senior Senator from Idaho would cover the entire situation. If we make the language read, "The Corporation may make

available loans on all agricultural commodities," that certainly would meet the entire situation.

Mr. COPELAND. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. COPELAND. I have understood the Senator from Idaho [Mr. POPE] in reply to a question of mine earlier in the debate, to say that these loans were to be made on other agricultural products than those definitely stated in the bill. I take it that is the view of the Senator at the present time.

Mr. POPE. It is.

Mr. BARKLEY. I am ready to vote on the amendment of the Senator from Idaho.

Mr. BORAH. Mr. President, my amendment would strike out the words "is directed to" in line 3, and would insert the word "may"; and then in line 4 would strike out the words "on cotton and may make loans available on rice, tobacco, and" and insert the word "on" in line 5, strike out the word "other" in line 5 after the word "all", and also strike out the words "other than wheat, corn, or cotton", so that the clause would read:

The Corporation may make available loans on all agricultural commodities.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ELLENDER. Does the Senator interpret his amendment to mean that it would be optional, except as to wheat or corn, for the Corporation to make loans on all agricultural commodities?

Mr. BORAH. No; I would authorize the Corporation to make loans, in its option, on all commodities.

Mr. ELLENDER. I asked the Senator from Idaho the question because under schedule A at page 21 loans are made mandatory insofar as corn and wheat are concerned.

Mr. MCGILL. That is provided for on page 7.

Mr. ELLENDER. Yes, page 7, section 5. I understand; but the question I asked the Senator from Idaho was whether he interpreted his amendment to mean that loans might be made on all commodities if the Corporation chooses to do so?

Mr. BORAH. What I desire is to make it optional with reference to all commodities, and if there is any conflict with any provision elsewhere, that could be remedied.

Mr. ELLENDER. I am trying to point out to the able Senator from Idaho that his amendment does not apply to corn and wheat. Even if his amendment is adopted corn and wheat growers can demand a loan as provided under schedule A.

Mr. BORAH. There ought to be a discretionary power lodged in this Corporation to make loans upon all commodities. In my opinion, loans rest upon a wholly different basis than that on which parity payments and other matters rest. There ought to be a power, for instance, to take care of any particular commodity which might be in distress, and I desire to make the language broad enough so as to cover all commodities, it being always in the discretion of the Corporation whether it shall make a loan at all or not.

Mr. MCGILL. The loans under the discretionary power provided for in the committee amendment would be available under the Senator's amendment on all commodities, but if we are to retain schedule A, we should provide for loans on wheat and cotton which will provide for the surplus-reserve loan as provided in that schedule.

Mr. BORAH. We can do that when we reach that provision.

Mr. MCGILL. It is not the class of loans contemplated by this section, but it is the class of loans to maintain the loan provision of the schedule.

Mr. BARKLEY. Mr. President, under schedule A, set out on page 21, if wheat and corn arrive at a certain status, it is mandatory that a loan shall be made. Under the language of the amendment now under consideration, as proposed to be amended by the Senator from Idaho, the Corporation could even make a loan on wheat or corn without

wheat or corn being able to qualify under the schedule, but if they did qualify, it would then be mandatory. Is not that the way it would be interpreted?

Mr. MCGILL. In other words, no loan is provided under schedule A if the commodity price is above parity. There is no provision in the schedule at all for a loan unless the commodity price is above parity, and if it is desired that there should be a loan on wheat or corn, and the commodity price is above parity, the Corporation then, under the amendment now under discussion, could make such a loan.

Mr. BARKLEY. It could make a loan on wheat and corn even before the price reached parity, the same kind of a loan it could make on rice, tobacco, or cotton.

Mr. POPE. That is correct.

Mr. MCGILL. The loans authorized prior to the price-reaching parity are provided for in schedule A.

Mr. BARKLEY. That is mandatory; but suppose wheat and corn both arrive at the point where they could qualify for a loan under schedule A; under the language of the amendment, if the amendment offered by the Senator from Idaho should be agreed to, the Corporation could still make this kind of a loan on wheat or corn.

Mr. BORAH. That ought to be true.

Mr. ELLENDER. Mr. President, in reply to the Senator from Kentucky [Mr. BARKLEY], I maintain that loans would be mandatory under section 5, page 7, of the bill, and under schedule A at page 21, as I have previously shown. Where the production is up to 100 percent or 114 percent, or more, the schedule provides that loans must be made by the Corporation on both wheat and corn at a certain percent of parity.

Mr. BARKLEY. That is correct; but if they never reach that point, so that the "must" does not apply, under the language of the amendment of the Senator from Idaho they could still make loans like these on wheat and corn.

Mr. ELLENDER. The Corporation would be obligated to make loans, as I interpret the language above referred to, insofar as wheat and corn are concerned.

Mr. BORAH. If the producers of wheat and corn qualify under the schedule on page 21, they are entitled to the loans; but if they do not qualify, they would be entitled to loans under the proposed amendment.

Mr. ELLENDER. I cannot foresee a time when they would not qualify under section 5 and schedule A, on page 21. If the production is up to 100 percent and gradually increases to 114 percent or more of the normal supply, they are entitled to obtain a loan at from 85 percent to 52 percent of parity.

Mr. BORAH. But the "must" provision does not conflict with the "may" provision. It is true we provide that the Corporation may make the loan; then we provide in another instance, where a certain condition exists, that they must do so. There is no conflict between those two.

Mr. ELLENDER. Except as to corn and wheat. They must do it, as I pointed out, as to wheat and corn. It is mandatory and not affected by the amendment of the Senator from Idaho [Mr. BORAH]. On page 7, section 5, I read:

The Surplus Reserve Loan Corporation, established by title VII of this act, is directed to make available surplus reserve loans upon wheat or corn produced for market at the loan rates prescribed in schedule A of this title.

Now, referring to schedule A, page 21, it will be seen that when the total supply ranges up to 100 percent of the normal supply the loan rate is 85 percent of parity. The loan rate decreases as the total supply increases above the normal supply, so that when 114 percent or more above the normal supply is reached, then loans are made at 52 percent of parity.

Mr. GILLETTE. Mr. President, I wish to direct the attention of the Senator from Idaho to another matter which has not been discussed. The purpose of the particular act now proposed is to set up a Reserve Loan Corporation for the purpose of making the type of loan which will take care of the appeal that is made to the signers of adjustment contracts. As the amendment is offered by the Senator it would open

up the field to loans by the Surplus Reserve Corporation on all agricultural commodities. We are providing a capital of \$100,000,000 for this Corporation, to be subscribed by the Treasury. We already have a Commodity Credit Corporation, with \$93,000,000 subscribed by the Treasury, who cover this identical field, who are incorporated under the laws of the State of Delaware, and have the power to make the very type of loans the Senator is covering in the amendment he has offered.

Mr. President, there would be complete duplication. The President has, by Executive order, included practically every agricultural product as an eligible subject for loans from the Commodity Credit Corporation, and I wish to direct attention to the complete duplication that would be the result of clothing the contemplated Surplus Reserve Corporation with the power to make the same kind of loan the Commodity Credit Corporation makes.

Mr. AUSTIN. Mr. President, a law which would direct a financial institution to make loans of a certain description and permit the same institution to make loans of another description in its discretion only, might work out in practice to the entire exclusion of those loans upon which the discretion was allowed, because by the act which would make certain loans mandatory, we could, in practice, entirely exhaust all of the available capital in the institution for loans which comply with the mandatory feature of the law, and thus those over whom there was a preference created by the act itself would be discriminated against.

I understand that no one here has such a design in view, and I think that if we make the amendment suggested by the Senator from Idaho we should also turn back to the surplus reserve loan provision, reconsider the vote by which it was adopted, and amend that so that it also will be under the enabling verb instead of the mandatory verb.

The PRESIDENT pro tempore. The question is on the amendment offered by the senior Senator from Idaho [Mr. BORAH] to the amendment of the committee. The Senator from Idaho has moved to strike out certain language commencing in line 3, on page 9, so as to make the sentence read:

The Corporation may make available loans on all agricultural commodities.

The amendment to the amendment was agreed to.

Mr. BILBO. Mr. President, the change in the verbiage of this amendment is satisfactory, but I am sure the Senator had no idea of trying to give cotton a preference over any other commodity. From the verbiage in the rest of the subsection, however, it strikes me that on line 8 the words "under seal" should be eliminated from the sentence commencing on line 6, so that it would read:

Loans made pursuant to this subsection shall be made on the security solely of stocks of the commodity insured and stored.

The words "under seal" are not applicable to the handling of cotton. They are not necessary. As to the other commodities, the Corporation could require, as a matter of regulation, that they be stored under seal, but it would not be feasible in making a loan on cotton to put cotton under seal. Therefore, I move that we eliminate the words "under seal" on line 8.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Mississippi to the amendment of the committee, which will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 9, line 8, to strike out the words "under seal."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. AUSTIN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. AUSTIN. Is it appropriate at this stage to ask for a reconsideration of the vote by which the Senate adopted the language on page 7, lines 19 to 25, for the purpose of suggesting an amendment to change the directory provision to an authorizing provision?

The PRESIDENT pro tempore. In section 5, on page 7, certain minor amendments were made to the original text. Of course, the Senator may move a reconsideration of the votes by which those committee amendments were agreed to, but if they were reconsidered, an amendment to the text would not be in order until after the committee amendments to the entire bill had been acted on. Then such an amendment would be in order. If the Senator is interested in the two amendments which were adopted, he can move that the votes by which they were agreed to be reconsidered.

Mr. AUSTIN. Mr. President, I do not know whether I understand the ruling. Is it true that we would be helpless to change this provision from a mandatory one into an authorizing one if we permitted the provision, as it now stands, to go over until the end of the consideration of the committee amendments?

Mr. BORAH. Mr. President, may I submit a suggestion? In order to accomplish what the Senator desires, we would have to amend the original text, and it has been held, and properly held, that that cannot be done until the committee amendments have been disposed of.

The PRESIDENT pro tempore. That is the opinion of the Chair.

Mr. AUSTIN. Mr. President, is it in order for me to give notice at this time, so that it may be considered, that I intend to move to strike out the words "is directed to", in line 21, on page 7, and to substitute therefor the word "may"?

The PRESIDENT pro tempore. That amendment will be in order after the committee amendments are disposed of. In the meantime, the amendment will be considered as lying on the table.

Mr. AUSTIN. Very well.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The CHIEF CLERK. On page 11, after line 17, it is proposed—

Mr. McNARY. Mr. President, just a moment. Yesterday evening I asked that the amendment which is found on page 10, section 6, go over, and it was so ordered.

The PRESIDENT pro tempore. The Chair is informed that certain Senators asked to have section 6 go over for the purpose of preparing amendments to it, and they apparently are not ready to proceed so far as the Chair understands.

Mr. OVERTON. Mr. President, in view of the request made by the Senator from Idaho [Mr. POPE], who, I understand, desires to confer with me with reference to the amendment I have offered to the committee amendment, I ask that the amendment go over for the present.

The PRESIDENT pro tempore. Is that the amendment to section 6 on page 10?

Mr. OVERTON. No; it is on page 11.

The PRESIDENT pro tempore. The Chair is informed that yesterday the Senator requested that the amendments to section 6 go over. Is it the desire of the Senator to ask that consideration of section 6 go over for a further time?

Mr. McNARY. I have no desire, Mr. President, to make such a request; but I think the Senator from Alabama [Mr. BANKHEAD] expressed a desire to offer an amendment.

The PRESIDENT pro tempore. If there is no desire that consideration of amendments to section 6 go over further, they will be considered at this time by the Senate.

Mr. POPE. Mr. President, all the amendments in section 6 were adopted yesterday except those in subsection (c), at the bottom of page 11. They went over; but all the minor amendments which occur on pages 10 and 11, except in subsection (c), were adopted yesterday.

The PRESIDENT pro tempore. The Chair is informed that the amendment, in lines 12 and 13 on page 10, went over yesterday.

Mr. McNARY. That was at my request yesterday.

The PRESIDENT pro tempore. The Chair is informed that it went over at the request of the junior Senator from Alabama [Mr. BANKHEAD].

Mr. McGILL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McGILL. Was the amendment on lines 12 and 13 on page 10 acted upon yesterday?

The PRESIDENT pro tempore. It was not. It was passed over on the request of the junior Senator from Alabama.

Mr. BANKHEAD. Mr. President, I have an amendment which I called up yesterday, on page 10, at the end of line 10. The question arose whether it was in order at that time, because we were considering committee amendments. The occupant of the chair at that time stated that in part it could be acted upon, and in part it was not at that time in order. I do not know whether or not it is in order now. If it is, I ask that it be considered. If not, and if there be objection, it may go over.

The PRESIDENT pro tempore. The entire amendment of the Senator, as the Chair understands, would not be in order, except by unanimous consent, by reason of the fact that part of it is an amendment to a committee amendment and part of it is an amendment to the original text.

Mr. BANKHEAD. Mr. President, let me suggest the purpose of my amendment, and after that statement has been made I doubt whether there will be objection to it.

Mr. BORAH. Mr. President, it seems to me that the way the bill has been drawn, with the committee amendments in the bill, if a proposed change would result in amendment of the committee amendment and the original text, we ought to have a unanimous-consent agreement to the effect that where a Senator desires to cover the amendment to the bill and also a part of the text, he should be permitted to offer his amendment, because otherwise we will get through and then have to go back and reconsider all these amendments. I suggest that the Senator ask unanimous consent to offer his amendment now.

Mr. BANKHEAD. I make that request.

The PRESIDENT pro tempore. Without objection, it is so ordered. The amendment of the Senator from Alabama will be stated.

The CHIEF CLERK. On page 10, at the end of line 10, it is proposed to insert the following:

In lieu of payments made under the Soil Conservation and Domestic Allotment Act with respect to such commodity.

On page 10, line 13, after the word "cooperator", it is proposed to insert the following:

And in the case of cotton the acreage of cotton does not exceed the acreage apportioned to the farm pursuant to the provisions of title III of this act, or in the absence of such apportionment does not exceed the acreage apportioned to the farm under the Soil Conservation and Domestic Allotment Act.

Mr. BANKHEAD. Mr. President, the only purpose of this amendment is to make certain what the Department thinks is already in the bill, but I had some doubt about it; and that is, in the event we have no quota plan on cotton, that cotton then, like corn and wheat, will be under the soil-conservation program.

That is the only purpose of the amendment.

Mr. AUSTIN. Mr. President, will the Senator yield to permit an inquiry?

Mr. BANKHEAD. I yield.

Mr. AUSTIN. I desire to understand the amendment. I observe that the payments to which the Senator refers in his first amendment are provided thereby to be in lieu of the Soil Conservation and Domestic Allotment Act payments for the same commodity. Does the Senator attempt by his amendment to amend the contract already existing?

Mr. BANKHEAD. No; it does not touch any contract at all. This is what it is intended to do: There are two contingencies under which we would have no cotton-control program. One is in the event we should reach parity, and therefore would not need a national quota, or in the event it was decided for any reason that we did not need a national quota. Then it is uncertain whether or not we would be entitled to participation in the soil-conservation program. It is specifically provided here that the cotton and wheat cooperators shall participate under similar circumstances under the soil-conservation program.

In the event we do not have any national quota, either by reason of an approach to parity price or other circumstances by reason of which the Secretary shall find we do not need one, or in any other contingency, such as in the event the farmers by a third of the vote at any time should reject the control program, then, in the absence of a control program, we want to make it clear that we participate under soil conservation, because that is then the only place we would have to go. We would get into the same category here as wheat and corn in the event we should have no control program.

Mr. AUSTIN. Mr. President, will the Senator consider the suggestion that he change the words "in lieu of", the words he uses in his amendment, to the words "in the absence of"?

Mr. BANKHEAD. I have no objection to that change, Mr. President.

Mr. AUSTIN. I make that suggestion because I think "in lieu of" has a specific and well-established meaning to be "in the place of", "instead of."

Mr. BANKHEAD. The Senator suggests the substitution of the words "in the absence of"?

Mr. AUSTIN. Yes.

Mr. BANKHEAD. I ask unanimous consent to make that change in my amendment.

The PRESIDENT pro tempore. The Senator may modify his amendment.

Mr. POPE. That relates only to cotton?

Mr. BANKHEAD. Yes.

Mr. POPE. Under the amendment as amended, cotton would not get the soil-conservation payments and parity payments both?

Mr. BANKHEAD. Absolutely not.

Mr. McGILL. As I understand, soil-conserving payments are not made on wheat and corn now. It is not intended by the Senator's amendment to make the parity payments in lieu of soil-conserving payments, is it?

Mr. BANKHEAD. It is intended if we have no program, no control in operation, no national quota, to put cotton under the soil-conservation program. In cotton we have no division between cooperators and noncooperators. For that reason this amendment we thought was necessary.

Mr. McGILL. What I should like to know from the Senator with reference to his amendment is this: As I would construe it, it is calculated to make the parity payments in lieu of such soil-conservation payments now made on wheat and corn, for instance. Due to the fact that soil-conserving payments are not made on those commodities I would take it that he does not intend to affect soil-conserving payments by this amendment?

Mr. BANKHEAD. I do not.

Mr. McGILL. I wanted to make clear in the Record what it was intended to cover.

Mr. BANKHEAD. I ask unanimous consent that the change suggested by the Senator from Vermont [Mr. Austin] to substitute the words "in the absence of" for the words "in lieu" be made.

The PRESIDENT pro tempore. That change has already been made.

The question is on the amendment of the Senator from Alabama [Mr. BANKHEAD] as modified.

Mr. McNARY. Mr. President, the language on line 13 was not in any of the bills heretofore considered. It plainly exempts the cotton noncooperator. The language in the bill again draws the distinction between wheat and corn and cotton, as usual to the detriment of wheat and corn. Parity payments are to be paid to a cooperator in wheat and corn, the implication being that they will not be paid to a noncooperator. It is plainly evident that a cotton maker who has a contract with the Government, whether he be a contractor or a noncontractor, will get his parity payment; otherwise this language would not be used. If I am mistaken in that, I should like to have the reason given for the exception plainly noted in the language in the bill.

Mr. BANKHEAD. Mr. President, the proposition is this: Cotton has two base situations or contingencies. One is

a control program applying to all commodities, under which there is no distinction between cooperators and noncooperators. In the event the control program is not in effect, the amendment then gives to the cotton producer the privileges granted to the wheat and cotton producer if he cooperates. In other words, if they do not sell cotton from excess acreage under the program they qualify as cooperators, just as the producers of wheat and corn do. That is the only difference. There is no control program for wheat and corn such as there is for cotton, and we are providing here simply to take care of cotton under the domestic-allotment plan when we have no national quota.

Mr. McNARY. Mr. President, in order to consider that language one must review one or two other provisions of the bill.

On page 1 there is a declaration of policy, that parity payments shall be made. Looking at the text of this proposal, section 6 begins:

Promptly following the close of each marketing year—

We must keep in mind the fact that the marketing year for wheat closes on June 1. I ask the attention of the very able Senator from Alabama, because I want him to understand this section. The marketing year for cotton closes on the 1st day of August of each year. The section provides that promptly following the close of each marketing year the Secretary shall make parity payments to the producers of cotton, wheat, or corn; but when we get down to the language in line 12 we find that when it comes to wheat and corn the farmer must be a cooperator. Under the original bill, the cotton man had to be a cooperator, but now, under this language, he does not have to be a cooperator; so that if one has not an adjustment contract on corn or wheat he cannot share in the parity payments.

Let us see about the parity payments.

On page 65 it is provided that—

2. "Parity," as applied to prices for cotton, wheat, corn, tobacco, or rice, shall be that price for the commodity as will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity—

During the "golden age" which is specified.

Mr. President, the Secretary has no discretion in the matter. He must make these parity payments on the 1st of June to the producers of wheat and corn, and on the 1st of August to the producers of cotton, and he must pay according to the definition of the word "parity." We cannot get around that. As we read this section, however, we find that when it is applicable to the producer of wheat and cotton he must be a cooperator, but the producer does not have to be a cooperator as the section applies to cotton. That is the interpretation I place upon the language; and if that is not correct I wish to be advised of the fact.

Mr. BANKHEAD. Mr. President, the Senator's interpretation is not correct in the legal sense, because the amendment states conditions with which the cotton producer must comply which in legal effect make him a cooperator. It is not necessary to use the word "cooperator," but the bill requires him to comply with the acreage formula or program announced by the Department.

Mr. McNARY. Mr. President, to continue, on page 3, in section 3, adjustment contracts are required of the wheat and corn producer, but are not required of the cotton producer. That is discrimination No. 1. Discrimination No. 2 is that when it comes to making parity payments, which are defined, the producer must be an adjustment contractor if he is raising wheat and corn, but not if he is raising cotton. Anybody can get a parity payment under cotton, whether he is a contractor or not.

I repeat the statement I made a few days ago: Why should we again and again and again discriminate against the producers of wheat and corn by requiring an adjustment contract in the case of those commodities when we do not require it in the case of cotton? And when it comes to making parity payments, if a man is raising wheat or corn, parity payments cannot be made to a noncooperator. That means a man who desires to act according to his own judgment,

exercising the feeling that farmers should exercise, but in the case of cotton he may enjoy that feeling and still get parity payments.

I desire to know from the able Senator from Idaho [Mr. POPE] or the able Senator from Kansas [Mr. MCGILL]—who prepared the bill and who probably were present when some of these strange amendments were incorporated in it—whether that is not the construction to be placed on the language to which I have referred in line 13, page 10.

Mr. POPE. Mr. President, the Senator has directed a question to me and to the Senator from Kansas. If he will yield, I will give him my view.

Mr. McNARY. Very well; that is what I am seeking. I yield to the Senator.

Mr. POPE. I think it unnecessary again to explain the difference between the approach as to corn and wheat on the one hand and as to cotton, rice, and tobacco on the other. In the first place, a contract is provided for in the case of the producers of corn and wheat, for the reasons which I stated to the Senate a few days ago. It is absolutely impossible to know in advance whether 51 percent of the corn and wheat farmers will cooperate unless we have a contract. We cannot proceed on the basis of offer and acceptance, as under the Soil Conservation Act.

Mr. McNARY. This matter has not anything to do with that.

Mr. POPE. The Senator asked my opinion. I desire to make this statement as preliminary to what I was about to say.

Mr. McNARY. Very well.

Mr. POPE. Therefore it is necessary, under a program of this sort, to have contracts as to wheat and corn.

As to cotton, since all that is necessary is a referendum, a vote, and then either a conformance with the program set out for cotton, rice, and tobacco or not, I can see that a contract would not be necessary. It may not even be desirable.

So the reason for the language on page 13 is that in the case of wheat and corn, the farmer is made a cooperator. If he is a cooperator, he is entitled to parity payments. If he is not a cooperator, of course, he will not be entitled to them. With reference to cotton, rice, and tobacco, the farmer is a cooperator after a favorable referendum. The term is not actually used in that connection, but by analogy he would be a cooperator if a referendum had been held, and the vote were favorable, and the program were put into effect. That is the reason for the use of that language.

I do not see that any discrimination at all is created against corn and wheat. It is simply a different method of approach, and a difference in the language used to effectuate that end.

Mr. McNARY. Mr. President, the Senator from Idaho is a great lawyer. I am a successful farmer, and I think we farmers understand the meaning of that language. As I pointed out a week ago, the Secretary of Agriculture in his letter has taken the same position; namely, that there should be adjustment contracts for all these commodities. I desire now to say to the Senator from Idaho that when the bill was taken by him into the rural sections of the country, it contained provision for adjustment contracts for cotton, wheat and corn; it contained a provision that they should all be treated alike, and that the provisions as to noncooperators should apply to cotton as well as to wheat and to corn.

Mr. POPE. And tobacco and rice.

Mr. McNARY. And tobacco and rice; yes. When the bill comes in here, however, it contains a discrimination to which I say even a farmer can object. There is in the bill now, Mr. President, as plain as can be, and it cannot be explained away, a provision that a cotton producer does not have to sign a contract, while a wheat producer or a corn producer must sign a contract. Unless the producer of wheat or corn signs a contract he cannot have parity payments, which constitute the soul and heart and purpose of this bill; but if a man raises cotton he can get parity payments whether he is a cooperator or not, and whether he has signed a contract or not.

I say that is unfair, unjust, and discriminatory; and the discrimination runs through the bill from first to last. I am pointing it out. I know that my protest will amount to nothing, but I desire to have a history of the matter made in the Senate.

Mr. ELLENDER. Mr. President, with reference to the point under discussion, I cannot see what is bothering the mind of the able Senator from Oregon.

As to wheat and corn, in order for a farmer to get any payments whatever, it is necessary that he sign a contract. It is further necessary that 51 percent of the farmers engaged in the production of either of those commodities sign contracts. It is voluntary. There is no provision making it mandatory, as in the case of cotton. We do not go to the cotton farmer and say, "Here, Mr. Cotton Farmer, we desire you to sign a contract for next year." The national quota for cotton is fixed by the Secretary; it is submitted to the cotton farmers for a vote, and if they vote that they want the quota, then, contract or no contract, they become parties to it. It is not necessary for them to sign contracts. If less than one-third of the farmers vote against the quota as fixed, then the quota applies to every cotton farmer.

In further answer to the Senator from Oregon, I desire to state that any cotton farmer whose acreage is fixed and who produces in excess of it, will not receive any payments of any nature, and he is then designated as a noncooperator. I repeat, in the case of cotton the plan of control is mandatory, while in the case of wheat and corn it is voluntary. That is the whole difference.

Mr. OVERTON. Mr. President, may I engage the attention of the senior Senator from Alabama [Mr. BANKHEAD]? I hope the Senator from Alabama will not accept the modification suggested by the Senator from Vermont [Mr. AUSTIN], substituting the words "absence of" in place of "in lieu of."

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair is advised that the Senator from Alabama has already accepted the modification of his amendment.

Mr. OVERTON. I am expressing the hope that he will ask, then, to modify his amendment so that it will read as originally presented by him, because if he uses the words "in the absence of," they may be interpreted as leaving it discretionary with the Secretary of Agriculture whether to make parity payments or to make soil-conservation payments; but if he uses the words "in lieu of," no discretion will be vested in the Secretary of Agriculture, and the Secretary will have to make the parity payments in lieu of the soil-conservation payments. I submit that that is a very important question and should be considered by the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I think the matter involved is covered either way. On reflection, however, I am inclined to believe that the original language is preferable, and will accomplish the same purpose. I think I agreed too quickly to the substitute words, in a desire to be agreeable to my good friend from Vermont. "In lieu of" means in place of other payments. "In the absence of" would not displace the other payments but would provide for these payments. So, while it appears to be changing pretty rapidly on this matter, I am going to ask consent to go back to the original language submitted by the Department. I think they have considered it more carefully than I have.

The PRESIDING OFFICER. No vote has yet been taken on the amendment of the Senator from Alabama, and the Senator has a right to modify his amendment.

Mr. BANKHEAD. All right; I modify it by restoring the language submitted by the Department, "in lieu of."

The PRESIDING OFFICER. The Senator from Alabama modifies his amendment in accordance with the printed text, as the Chair understands. Is that correct?

Mr. BANKHEAD. That is correct.

Mr. AUSTIN. Mr. President, it will take but a moment for me to say what I wish about the change. I thank the Senator from Alabama [Mr. BANKHEAD] for his courteous

suggestion that he came part way on personal grounds. I appreciate that very much.

I think there is a very substantial difference between the words "in lieu of" and the words which he accepted, "in the absence of," and that he ought to consider that difference, as I thought he did when he accepted my suggestion.

This particular part of the bill relates to other commodities than cotton. It includes corn and wheat. There are many corn and wheat farmers who are now operating under contracts which they have entered into with the Federal Government for the diversion of land from corn and wheat cultivation for the purpose of carrying out the soil-conservation program of the Federal Government. Under those contracts the Government is obligated and the farmer is obligated. According to my theory, those contracts ought not to be broken by us. Certainly they ought not to be repudiated by us.

Repudiation is opprobrious to me. I shall never knowingly enter upon it. I think that the amendment proposed by the Senator from Alabama, with the words "in lieu of," is a proposal to repudiate those contracts. I realize that his emphasis is largely on cotton, but I ask him to consider what the effect of this is going to be on the producers of wheat and corn. We do not want to say that the Secretary of Agriculture or any other representative of the Federal Government can arbitrarily cut off payments under a soil-conservation contract, and yet that is exactly what this language would do.

If the purpose of the Senator from Alabama, as I understood it to be, is merely to enable those farmers who are not enjoying the benefits of the soil-conservation contracts to have payments hereunder, then the words which he consented to are appropriate and describe just what he wants, and he should not retract the agreement he made with me. I do not try to hold him to that agreement. I simply lay this before him for his judgment, that he may see clearly that action under what he calls for would mean that cotton farmers are endangering contracts with the wheat and corn farmers. We have the words "in lieu of." "In lieu of" represents a substitution for; parity payments to be put in the place occupied by the soil-conservation payments. "In lieu of" means to place parity payments where soil-conservation payments formerly were. It is to that that I object.

Mr. OVERTON. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. Certainly.

Mr. OVERTON. If the bill provides that the Secretary shall make parity payments in the absence of payments to be made under the Soil Conservation and Domestic Allotment Act, then the Secretary will be empowered to make soil-conservation payments in lieu of parity payments, will he not?

Mr. AUSTIN. Not as I understand the words "in lieu of."

Mr. OVERTON. If the bill read "in the absence of" and not "in lieu of," then the Secretary of Agriculture could in his discretion make soil-conservation payments and withhold parity payments.

Mr. AUSTIN. No; I think not.

Mr. OVERTON. Is not that the purpose of the suggestion made by the Senator from Vermont?

Mr. AUSTIN. Not at all. The sole purpose of my suggestion is to prevent Congress undertaking to give any power to the administrative departments of the Government to repudiate payments already contracted for.

Mr. OVERTON. Then the purpose of the suggestion made by the Senator from Vermont is that the Secretary shall proceed to make the soil-conservation payments?

Mr. AUSTIN. Certainly; in all cases where the contract exists today, and that we shall not by our act give power to cut them off.

Mr. OVERTON. And when the Secretary does make soil-conservation payments, then he cannot make the parity payments?

Mr. AUSTIN. I do not see how that follows.

Mr. OVERTON. Because it is suggested that it be provided that parity payments shall be made in the absence of soil-conservation payments.

Mr. AUSTIN. It does not say "only" in the absence of soil-conservation payments.

Mr. OVERTON. It is not necessary to say "only in the absence of."

Mr. AUSTIN. I do not follow the Senator at all.

Mr. OVERTON. I think it is very clear. The Secretary shall make parity payments in the absence of soil-conservation payments. There must be an absence of soil-conservation payments before the Secretary can make parity payments. If it is the purpose of the modification proposed by the Senator from Vermont to require the Secretary to make soil-conservation payments, then the Secretary cannot make any parity payments wherever the soil-conservation payments are made.

Mr. AUSTIN. Will the Senator answer an interrogatory by me?

Mr. OVERTON. Gladly, if I can do so.

Mr. AUSTIN. Is it the purpose of the Senator from Louisiana so to legislate that if a farmer is under a soil-conservation contract and receiving payments thereunder, he would be disqualified from receiving parity payments on corn, wheat, and cotton?

Mr. OVERTON. No.

Mr. AUSTIN. That is exactly what the Senator would accomplish if he were to use the words "in lieu of."

Mr. OVERTON. No. As the bill now reads, if a farmer gets parity payments he does not get any soil-conservation payments. I think the bill ought to be modified in that respect, and I have submitted an amendment that will come up in a few minutes which would provide that in case the parity payments are less than the soil-conservation payments, then the soil-conservation payments shall be made. In other words, whichever is greater shall control.

Mr. AUSTIN. When that amendment comes up I shall certainly give it careful consideration, but on the amendment now before us I simply have to say that I cannot support it and I shall oppose it. I do not suppose that will amount to anything, judging from the ease with which the bill thus far has proceeded.

I am certain that this matter will plague the administrators of the bill when they come to put it into effect if the amendment remains as written—"in lieu of." It will more than plague the administrators. If the administrators actually carry out the suggestion of this bill of substitution for their contracts now existing and unfulfilled, there will be something more than a plaguing of the administrators of the law. There will be a great injury to the citizens. That is my thought.

Mr. OVERTON. Mr. President, in order to make clear my position with reference to the provision, I have no objection to an amendment being offered to modify the provision so that the Secretary shall make parity payments in addition to payments made under the Soil Conservation Act. That would carry into execution the amendment suggested by the senior Senator from Idaho [Mr. BORAH]. I certainly would object to using the phrase "in the absence of" instead of "in lieu of."

Mr. POPE. Mr. President, will the Senator from Louisiana yield?

Mr. OVERTON. Certainly.

Mr. POPE. Is it the position of the Senator from Louisiana that cooperators who take part in this program, whether growers of corn, cotton, or wheat, should receive both soil-conservation payments and parity payments?

Mr. OVERTON. I would have no objection and would raise no objection if the amendment were so phrased as to give to the cotton farmer and the wheat farmer and the corn farmer parity payments in addition to the soil-conservation payments; but I am objecting to withholding soil-conservation payments from him entirely in the event he gets no parity payments.

Mr. POPE. Soil-conservation payments are made on all commodities—potatoes and peanuts and various other commodities—the growers of which have indicated that they desire to come under the terms of the bill. So long as potatoes and other vegetables and fruits and all kinds of farm commodities receive soil-conservation payments, then the receipt of parity payments by those particular commodities, corn and wheat and cotton, would put them on a somewhat equal basis. If the corn and wheat and cotton growers receive both parity payments and soil-conservation payments, then it is clear that potatoes and other such commodities would receive very much less in the way of benefits, whatever their difficulties might be, and there would be a greater tendency than now for the growers of potatoes and various other commodities to want to come under the terms of this bill in order to get the additional payments.

Mr. OVERTON. I am not offering the amendment. I was merely making the statement that I would not have any objection to such an amendment. When it comes to cotton we have a different situation from that which exists in reference to potatoes, vegetables, and other commodities mentioned by the junior Senator from Idaho, and possibly a difference between cotton and wheat and corn. Under the program of the bill, if enacted into law, the cotton farmer will be called upon to make a tremendous reduction in his production, probably to produce not more than a national quota of 10,000,000 bales. Since he is making that sacrifice he is entitled to parity payments, and I see no objection to his obtaining, in addition to that, the soil-conservation payments. I am not proposing such an amendment and such an amendment is not now before the Senate. I am merely stating my view in reference to the whole subject matter.

Mr. POPE. I invite the attention of the Senator to the fact that if the policy should be adopted of paying soil-conservation payments and parity payments to those commodities, we are going to have a demand from various other commodities to come under the terms of the bill. We have distinguished as much as possible that demand so far because we are trying to deal with particular commodities, some of which lend themselves particularly to the ever-normal-granary plan. Vegetables do not lend themselves to that kind of a plan, and therefore I hope the Senator will consider the matter of not giving to those commodities too much access to the benefits of the bill.

Mr. OVERTON. The amendment proposed—and I think the Senator will agree to it and I understand the senior Senator from Alabama [Mr. BANKHEAD] will agree to it—provides that in the event parity payments are less than soil-conservation payments the farmers shall receive the soil-conservation payments. I cannot see any objection to that. In no event shall the farmer receive less than the conservation payments, so that if he gets no parity payments at all he will receive soil-conservation payments; and if the soil-conservation payment is less than the parity payment, he will receive an amount equivalent to the parity payment. That is the amendment which I shall propose and which will be reached when we take up the provision on the next succeeding page of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama. Since there has been some confusion as to exactly what the amendment is, without objection the clerk will again report the amendment, for the information of the Senate.

The CHIEF CLERK. It is proposed on page 10, at the end of line 10, to insert the words "in lieu of payments made under the Soil Conservation and Domestic Allotment Act with respect to such commodity."

Mr. AUSTIN. Mr. President, I should like to finish the suggestions I have to make about this amendment.

We should not forget that there is pending an amendment, which appears on page 7, and which went over at the request of the senior Senator from Idaho, which leaves no choice on the part of the farmer. He must make the contracts provided under the bill.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Vermont is presenting an amendment to the amendment of the Senator from Alabama?

Mr. AUSTIN. No.

The PRESIDING OFFICER. The Chair is advised that the Senator from Vermont has already spoken on the amendment.

Mr. AUSTIN. Mr. President, I will take my seat, in that event, because what I have to say is with reference to the amendment. I thought I made an interrogatory of another Senator who had the floor.

The PRESIDING OFFICER. The present occupant of the Chair came into the Chair after the Senator from Vermont had spoken. The Chair is advised that the Senator from Vermont has spoken on the amendment.

Mr. AUSTIN. Mr. President, I suppose that what I have to say would not justify a unanimous-consent request for permission to finish my remarks.

The PRESIDING OFFICER. If the Senator desires to submit a request for unanimous consent, the Chair will be glad to submit it to the Senate.

Mr. AUSTIN. I ask unanimous consent that I may complete my statement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator is recognized.

Mr. AUSTIN. I will make my statement brief; I have no intention of delaying consideration.

I refer to these words on page 7:

Soil Conservation Act payments shall, if the farmer is eligible to enter into an adjustment contract, be paid to him only if he has entered into such a contract.

The element of coercion is so clear there that one should not forget it when considering the pending amendment. It gives to the Federal authority only, without the farmer having any option or choice in the matter, the power to amend the contract, in fact, the power to repudiate it by substituting for payments under it the payments to be made under the proposed law.

Mr. BORAH. Mr. President, I want the attention of the authors to the bill, and of those who are supporting it, to ask whether there has been any consideration by the committee of the question of limiting the amount of payment which may be made to any individual or corporation. As we know, under the previous law with reference to agriculture, as high as a million dollars was paid to certain corporations, or five or six hundred thousand dollars, and I ask my colleague the junior Senator from Idaho, and the Senator from Kansas whether the question of limiting the amount beyond which no payments should be made as parity payments was considered in the committee.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. MCGILL. The matter was considered by the committee. I take it that the Senator has in mind the payments made under the old Agricultural Adjustment Act. So far as the farmers are concerned, payments under the proposed law would be in the nature of the parity payments and the reserve loan payments under schedule A. The adjustment contracts are not to be made on the same basis as was provided under the Agricultural Adjustment Act.

I think it was the view of the committee that, in order to carry forward the program, and have as much as 51 percent or more of the producers in the program, inasmuch as the loans to be made and the payments to be made would be those provided in schedule A, there is really no reason for eliminating large producers, and if they are eliminated, it would probably be destructive of the program itself.

Mr. BORAH. Mr. President, is the Senator of opinion that these large payments may be made under the bill?

Mr. MCGILL. Insofar as one might produce more than another he would receive more. Parity payments and the surplus reserve loans carried in schedule A necessarily would be larger to a large producer than to a small one. There would be the same amount per bushel, there would be the

same in proportion to quantity produced. We have no provision here for payment to a person of so much money for reducing acreage, but if a man enters into an adjustment contract to reduce his acreage he comes within the provisions of schedule A with reference to surplus reserve loans and parity payments on commodities. I think that is an entirely different situation from that under the former Agricultural Adjustment Act.

Mr. BORAH. Mr. President, I think the situation is somewhat different. However, I do not yet see how there is any limitation upon the amount which may be paid to any particular corporation. Like the Senator from Vermont, I am very modest about making statements as to what the bill means, because I am not sure that I know; but, as I understand, a person might be entitled to a payment under the bill of a million dollars.

Mr. MCGILL. If a person produced a sufficient quantity, I presume that might be, in the form of a parity payment. He would not be entitled to money to be paid out by virtue of a contract, such as was the case under the former act; but if we eliminate the large producer from a program of this kind, which is calculated to adjust production to a standard near what the markets, both domestic and foreign, will take, plus a reasonable carry-over, in my judgment we destroy the program.

Mr. BORAH. I am not disposed to urge the elimination of the large producer entirely; but in view of the experience which we had, it does seem to me that there is a limit beyond which we should not go.

Mrs. CARAWAY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mrs. CARAWAY. I should like to say at this point that in the previous program we provided for payments based on the acreage taken out of cultivation. Under the proposed plan the Government will pay on what is produced. The Senator might find that that makes a great deal of difference.

Mr. VANDENBERG. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. VANDENBERG. The Senator was referring to disclosures of large payments under the original Triple A Act, and, of course, it is true that the Department report, in response to the Senate request for information as to payments in excess of \$10,000, produced a large list, which I think is available as a Senate document. Among other interesting things it was disclosed, for instance, that there are vast insurance company ownerships in these various areas, that there are vast penitentiary developments in respect to many of these commodities, that there are vast corporate farms, and as a result of the disclosures I think it is fair to say that the Department of Agriculture itself voluntarily insisted that hereafter when payments of this character shall be made they shall at least be graduated so that the larger the owner the smaller the percentage of the application of the ratio of payment. I think that is the position of the Department of Agriculture today.

Mr. HATCH. Mr. President, I should like to propound an inquiry to the Senator from Idaho along the lines on which the Senator from Michigan was speaking. I myself offered an amendment a year or two ago providing for graduated payments. But when we are entering upon a more or less compulsory program, limiting the marketing quota of farmers, by what process would it be right to say to the man who does not come in voluntarily, perhaps, but because he is compelled to, "You shall not share equally with all others"? It is a problem which has given me a good deal of concern. I myself would agree to eliminate all the large corporation farms in the country, but this question is one which I did not know how to approach.

Mr. BORAH. It is a difficult proposition, and I have no desire to urge the elimination of the large producer entirely; but it occurred to me, in view of our past experience, that there might be a limit beyond which we should not go in making parity payments. We have now voted that this shall

be permanent legislation, and it would probably be very difficult for this Government to maintain an organization for such a purpose as is contemplated if it is to pay out these vast sums to large corporations, insurance companies, and the like. We will not be able to do it. The money will not be in hand. It occurs to me there is a limit beyond which we should not go in making payments to the large producer.

I have drawn an amendment designed to cover my idea, but I am frank to say that it is very difficult to make it fit in with all the different provisions of the bill.

Mr. HATCH. Mr. President, if I may add a further word, I should be very glad if the Senator from Idaho or the Senator from Michigan would present an amendment which would reach this question in a fair and equitable manner.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Alabama. [Mr. BANKHEAD].

The amendment was agreed to.

The Clerk will state the next amendment offered by the Senator from Alabama.

The CHIEF CLERK. On page 10, line 13, after the word "cooperator", it is proposed to insert the words—

And in the case of cotton the acreage of cotton does not exceed the acreage apportioned to the farm pursuant to the provisions of title III of this act, or in the absence of such apportionment does not exceed the acreage apportioned to the farm under the Soil Conservation and Domestic Allotment Act.

Mr. AUSTIN. Mr. President, on what page does that amendment come?

The PRESIDING OFFICER. On page 10, line 13, after the word "cooperator."

Mr. BANKHEAD. It includes the amendment of the committee.

Mr. GILLETTE. Mr. President, I wish to address myself to this amendment. I oppose the adoption of the amendment. In the case of corn and wheat an adjustment contract is offered to an eligible farmer. If he cooperates, or if he is eligible to cooperate, and signs, he receives, in lieu of the soil-conservation payments under the Soil Conservation Act, a parity payment. If he does not sign and is eligible, he does not receive it.

Under the committee amendment now pending, a cotton farmer who does not have an adjustment contract may have quotas imposed under certain conditions. The first part of the proposed amendment provides, in the case of cotton, that if the acreage of cotton does not exceed that apportioned under title III, the farmer may receive parity payments, and that is all right, as I view it. If the quota is determined and assigned, and he does not exceed it, it is perfectly right and proper, as I view it, that he should receive parity payments. But the proposed amendment goes further and provides that in the absence of such a quota, if a farmer does not exceed the acreage under the Soil Conservation Act which now exists, notwithstanding that, he will receive parity payments, not soil-conservation payments, but parity payments. That certainly seems unfair to the other farmers, and discriminating.

Mr. BANKHEAD. Why should one of those commodities be excluded?

Mr. GILLETTE. As an inducement to the wheat and corn farmers, the eligible farmers, to enter into an adjustment contract tendered to them. We say to them under the provisions of the bill, "When you are eligible, if you come in you will receive parity payments."

Mr. BANKHEAD. If the Senator will permit me, the very language says the farmer must cooperate with the program. Whether he signs a contract or does not sign a contract, he must cooperate with the program.

Mr. GILLETTE. As I understand the Senator's amendment, we say to the corn and wheat farmer, "If you become a cooperator, you may receive parity payments, which constitute an inducement for you to cooperate." In the Senator's amendment he says to the cotton farmer who does not have an adjustment contract offered to him, but who may have his quota acreage apportioned, "If you do not exceed

your quota acreage you may receive parity payments in lieu of soil-conservation payments." That is all right. That is fair. But the Senator goes further and says, "Even if there is no apportionment of a quota under the Soil Conservation Act as it now exists, if you do not exceed your soil-depletion acreage you will not receive soil-conservation payments but you will receive parity payments, a guaranty of parity"; and he places every cotton producer in a position to receive parity payments, whether there is compliance with an apportionment of acreage or not. The Senator gives corn and wheat farmers adjustment contracts and says, "You will receive that parity-payment guaranty as an inducement for you to come in"; but he opens the door wide for the cotton producer and says, "We give you parity payments under the Soil Conservation Act providing you do not increase your soil-depleting acreage."

Mr. BANKHEAD. The difficulty with the Senator's reasoning is that apparently he considers that there cannot be cooperation unless there is a signed contract. The only difference in the case of corn and wheat farmers is that their program is based upon contracts. In the case of cotton it is not based upon contracts.

I gave, among other reasons, the apprehension which some of us felt that the contract was not the best legal approach to this problem. At any rate, the cooperation of the cotton farmers is not governed by signing the contract. Wheat and corn participate in this money that is set aside for these three commodities with which to make the parity payments, \$275,000,000. Under the formula contained in the bill they are all supposed to participate in this fund upon that basis of division. In the case of corn and wheat the producers are eligible to participation when they have signed a contract, because in the case of corn and wheat that is the method of showing cooperation. That is the test of a cooperator. If no acreage plan exists, then the cotton farmer must comply with the acreage diversion, or whatever other program of soil-conservation there is; and when he complies he is a cooperator just as much as the wheat and corn farmers who sign the contract are cooperators. He has voluntarily accepted, complying with the program, without the formality of a written contract.

That is the only difference, under this amendment, between the status of the cotton producer on the one side and the wheat and corn producer on the other.

Mr. GILLETTE. Mr. President, will the Senator yield to me for two questions?

Mr. BANKHEAD. I yield.

Mr. GILLETTE. In the wheat and corn program, who may receive parity payments?

Mr. BANKHEAD. The cooperator.

Mr. GILLETTE. And no one else?

Mr. BANKHEAD. No; and neither can anyone else in cotton under this amendment.

Mr. GILLETTE. Under the Senator's amendment, if there is no apportionment of quotas, what cotton farmers may receive parity payments?

Mr. BANKHEAD. The cooperators in the soil-conservation program.

Mr. GILLETTE. Every cooperator in the soil-conservation program?

Mr. BANKHEAD. Yes.

Mr. GILLETTE. In the case of wheat and corn, every cooperator in the soil-conservation program may not receive parity payments.

Mr. BANKHEAD. Oh, yes; he will.

Mr. GILLETTE. The only ones who receive them are those who cooperated in the domestic allotment contract.

Mr. POPE. Mr. President, will the Senator yield to me in order that I may ask the Senator from Iowa a question?

Mr. BANKHEAD. I yield.

Mr. POPE. Suppose, under the provisions relating to corn and wheat, less than 51 percent sign up such a contract; then the program under that part of the law would not go into effect?

Mr. GILLETTE. That is correct.

Mr. POPE. Then, according to the Senator's interpretation, would the corn and wheat farmers be entitled to Soil Conservation Act payments if they met the requirement?

Mr. GILLETTE. If the program did not go into effect; yes.

Mr. POPE. If it did not go into effect?

Mr. GILLETTE. Yes. They would receive soil-conservation payments, but not parity payments.

Mr. POPE. Suppose, in the case of cotton or tobacco or rice, a referendum were held, but the program did not go into effect because two-thirds did not vote for it: Then is it the Senator's understanding that the cotton growers, or the growers of tobacco or rice, would be entitled to Soil Conservation Act payments?

Mr. GILLETTE. Certainly, and that is what I want them to have; but the purport of this amendment is to secure them parity payments regardless of whether the program is in effect or not.

Mr. POPE. That is just the point I wanted to make clear—that so far as soil-conservation payments are concerned, in the event the program fell down the producers would be treated alike; but they would not get parity payments instead of Soil Conservation Act payments in the case of cotton.

Mr. GILLETTE. But if this amendment as drawn is adopted, whether they come in or not, whether there is a program or not, they will receive parity payments if they do not decrease the soil-depleting acreage.

Mr. POPE. Exactly what part of this amendment does the Senator object to?

Mr. GILLETTE. If after the word "act," in line 7 of the amendment, there were a period, and the remainder of it were stricken out, I should have no objection to it.

Mr. POPE. I find that I am in exact agreement with the Senator with respect to this matter, and I have already marked that as a point which I would raise with the Senator from Alabama [Mr. BANKHEAD]. I agree thoroughly with the Senator from Iowa that there exists that much distinction between the two.

Mr. BANKHEAD. So far as wheat and corn are concerned, does the parity money revert to the Treasury?

Mr. POPE. I suppose not.

Mr. BANKHEAD. What is to be done with it?

Mr. POPE. It would be utilized for soil-conservation payments, I suppose.

Mr. BANKHEAD. The Senator ought to know.

Mr. POPE. That would be my interpretation of the law.

Mr. BANKHEAD. I do not want any controversy here with my associates on the committee. I requested the Department of Agriculture to prepare the amendment so that cotton would be put on exactly the same basis as wheat and corn with reference to all the payments provided in the bill. As the Senator knows, I had prepared a program under which cotton would be separated; but the Senator objected to it, and then I put back in the bill the program with reference to cotton.

Mr. President, does the Senator from Idaho want the consideration of the amendment to go over until tomorrow so that we may work out an agreement in the meantime?

Mr. POPE. Let me get a question in the RECORD first. Would the Senator from Alabama object to striking out, in line 7, all following the word "act"? It is a minor point, it seems to me, but that is the only point where the Senator from Iowa and I think there would be a discrimination in favor of cotton.

Mr. BANKHEAD. I would rather let the amendment go over than to take out of it something which ought to be in the measure. The Department thought it ought to be in there.

Mr. President, I suggest that the amendment go over until tomorrow, and in the meantime we can get together and see if we can agree on its proper construction.

Mr. PEPPER. Mr. President—

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Alabama yield to the Senator from Florida?

Mr. BANKHEAD. I yield.

Mr. PEPPER. There are just a few questions that I want to ask the Senator so as to give a sort of a synopsis of certain provisions of the bill as it affects cotton, because, as the Senator knows, the northern tier of counties in my State are analogous in their quality and production to some of the counties in the Senator's State.

Roughly speaking, the present production of cotton is about how many bales?

Mr. BANKHEAD. That depends. This year it is 18,000,000 bales. It varies, of course.

Mr. PEPPER. Generally speaking, the domestic consumption is how many bales?

Mr. BANKHEAD. About 7,000,000 bales is a rather high average.

Mr. PEPPER. And we have been selling into the foreign market in recent years an average of how many bales of cotton?

Mr. BANKHEAD. Something like 6,000,000 bales. Our average consumption, both at home and abroad, for the past 10 years has been 13,000,000 bales.

Mr. PEPPER. And we have at the present time, or this year we anticipate, a carry-over of how many bales?

Mr. BANKHEAD. At least 11,000,000; probably 12,000,000 bales.

Mr. PEPPER. Our normal carry-over is how many million bales?

Mr. BANKHEAD. Around 5,000,000. We had an enormous carry-over during the war period when we got parity prices.

Mr. PEPPER. Will the Senator give me the number of acres devoted to cotton production in this country?

Mr. BANKHEAD. That varies. One year we had as high as 44,000,000 acres. The average for the last 10 years has been between 40,000,000 and 41,000,000 acres. The Senator will understand that during that period we have had acreage diversion.

Mr. PEPPER. Since the 40,000,000-acre crop the Soil Conservation Act and the Domestic Allotment Act have come into effect, and there has been a diminution in acreage on that account.

Mr. BANKHEAD. Only by reason of plans submitted to the farmer under the soil-conservation program for the diversion of acreage. Rotation in crops has, of course, had an incidental and natural effect of a reduction in the acreage planted in cotton.

Mr. PEPPER. What annual production is contemplated under this bill?

Mr. BANKHEAD. That will depend upon what year the Senator has reference to. The bill contemplates and lays down a declared policy to provide at all times an ample supply of cotton of suitable grade and quality to fill all the effective demands for American cotton throughout the world, at a price not in excess of the world price of cotton. Of course, with a carry-over of 12,000,000 bales, which is the equivalent of nearly a year's consumption, within a reasonable time that surplus must be reduced or gotten rid of. I regret that the Senator from Florida was not here when I went into that subject very fully last Monday, and I recommend to him that he consult the RECORD and read my explanation.

Right there, there is one point that I want the Senator to get in his mind, and that is the long-recognized rule of supply and demand, which as to cotton has the effect that an increase of 1,000,000 bales decreases the price of cotton on an average 1 cent a pound, and a decrease in production has the reverse effect.

In other words, the size of the carry-over almost mathematically fixes the price of our cotton; so let us take it in this way:

In 1936 we had a carry-over of 6,000,000 bales. We had a production of 12,000,000 bales, or slightly more. That

made 18,000,000 bales. With a consumption of 13,000,000 bales, we got 12½ cents a pound for it.

This year we started in with 6,000,000 bales and produced 18,000,000 bales, making 24,000,000 bales supply, with a consumption of 13,000,000 bales. That leaves 11,000,000 bales excess, 5,000,000 bales more than we had last year; and at the same time, and as a result, the price, which was 12½ cents last year, promptly went down to 7½ cents. In other words, the 5,000,000-bale increase in the supply took 5 cents a pound from the price of cotton.

Mr. PEPPER. I want the Senator to know that I am not as remiss as he might surmise in acquainting myself with his information and point of view; but I am coming to the point, if the Senator will indulge me for a moment more, of what acreage is contemplated under the bill for the coming year.

Mr. BANKHEAD. That is up to the Secretary. It is his duty to make a very substantial reduction if we are ever going to get the price of cotton back anywhere near parity.

Mr. PEPPER. Would the Senator say that the reduction would be down to about 25,000,000 acres?

Mr. BANKHEAD. I think that is about where it ought to be.

Mr. PEPPER. That will be a drop down to about 25,000,000 acres from about 40,000,000 acres?

Mr. BANKHEAD. No; we had 33,000,000 acres in cultivation last year.

Mr. PEPPER. What about the second year?

Mr. BANKHEAD. Let me submit this inquiry: If the size of the carry-over is taking a large part of the price out of the pockets of the farmer, and will continue to do it until we reduce the carry-over, does not the Senator think it is a businesslike thing and a proper thing, in the interest of the farmer, to go about getting rid of that surplus and bringing it down?

Mr. PEPPER. I am very much interested in that point; but will the Senator allow me to wait for a moment or two without answering the question? What is the contemplated acreage, then, the second year? If it is to be about 25,000,000 acres the coming year, what would be the acreage the next year?

Mr. BANKHEAD. It would be larger; I do not know how much larger; but as the surplus is pulled down, if it is, it is intended to increase the acreage until we get back to the normal peak.

Mr. PEPPER. The bill does not contemplate anything like a uniform acreage?

Mr. BANKHEAD. Oh, no; it is flexible, depending upon the condition of the carry-over and the size of it. There is no limitation upon the acreage. If we got rid of the carry-over, and if the needs of the industry required it, under this bill all the land in the South could be planted to cotton.

Mr. PEPPER. The thing in which I am very much interested, as it affects this commodity and some others, is the question of doing something which amounts in substance to giving a certificate of convenience and necessity to a given number of individuals to grow, on American soil, a given commodity. I am interested in how this measure is going to be sufficiently flexible to let the producers and those who want to grow more cotton, as an illustrative commodity, go into that business.

Mr. BANKHEAD. How do persons go into the fruit business?

Mr. PEPPER. They may go into the fruit business of their own volition under the present law, and they may suffer the penalties of overproduction in that business.

Mr. BANKHEAD. And they do suffer them.

Mr. PEPPER. They do suffer them; but there is another side to the question. To be measured along with the benefits is the question of putting a strait jacket upon a given number of individuals, and vesting them, as it were, with the right to continue the exclusive privilege of producing a given commodity. I wish to know what provision the Senator

has made in the bill for taking care of new producers who desire to go into the growing of cotton.

Mr. BANKHEAD. We have a specific provision, which was in the former bill, of 3-percent increase annually for new producers, which has been estimated as being sufficient reasonably to cover the requirements of new producers. That will make 100-percent increase of producers, as the Senator sees, in 33 years—3 percent set aside in addition to the 25,000,000 acres.

I am sorry, but I have an engagement outside the Chamber, and I have just been notified that the persons whom I am to see are waiting for me; so temporarily, I shall have to suspend.

Mr. PEPPER. I thank the Senator very much.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama that the amendment be passed over? The Chair hears none.

The clerk will state the next amendment passed over.

The CHIEF CLERK. The next amendment passed over is, on page 11, after line 17, to insert the following:

(c) Notwithstanding the foregoing provisions of this section, parity payments for cotton, wheat, or corn with respect to the marketing year ending in 1938 shall be computed at the rates heretofore announced by the Secretary under the 1938 agricultural conservation program in connection with farm goals for cotton, wheat, and corn, respectively, in case such rates are greater than the rates hereinbefore in this section provided.

At this point the Senator from Louisiana [Mr. OVERTON] has a substitute which reads as follows:

(c) Notwithstanding any of the provisions of this act, parity payments for cotton, wheat, and corn in any marketing year shall be computed on the basis of the payments available under the Soil Conservation and Domestic Allotment Act, as amended, in case such payments are greater than the payments available under this act.

Mr. OVERTON. Mr. President, the substitute amendment explains itself. The parity payments are to be paid to the farmer in lieu of conservation payments, if the bill remains unamended.

As the bill now reads, in the event that there were no parity payments, no conservation payments would be made to the farmer; or, in the event that the parity payments were less than the conservation payments, the farmer would have to accept the smaller amount.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. OVERTON. I shall be glad to yield.

Mr. McNARY. Will the Senator explain by an illustration how his amendment differs from the committee amendment?

Mr. OVERTON. I think it can be better explained by a mere statement of it.

Mr. McNARY. Very well.

Mr. OVERTON. As the bill now reads, parity payments are to be made in lieu of conservation payments. Let us suppose that the price of wheat or of corn or of cotton reaches parity: Then the wheat, corn, or cotton producer will receive no parity payments, and he will not receive any conservation payments, although he may comply with all of the rules and regulations of the Secretary of Agriculture under the Soil Conservation Act.

I think that is an injustice. I think the farmer who complies with the rules and regulations under the Soil Conservation Acts should receive soil-conservation payments, and if the parity payments are less than the soil-conservation payments he ought to receive a sum equivalent to the soil-conservation payments.

That is the sole purpose of the substitute amendment. Its purpose is to declare, in effect, that in case the parity payments exceed the soil-conservation payments, the farmer will receive no soil-conservation payments; but if the parity payments are less, or if there are no parity payments at all, we ought not to chisel the farmer out of the soil-conservation payments.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. MCGILL. If the amendment of the Senator from Louisiana should be adopted, it would make it necessary in carrying forward the program to adjust acreage, and so forth, that two contracts each year be submitted, for instance, to wheat and corn farmers—a contract to adjust acreage, which would entitle the farmer to the reserve loans and parity payments as provided in the act; also, a contract covering soil conservation—and then it would be necessary to pay the farmer whichever might profit him the most. Is not that the substance of what the Senator is attempting to do, and would it not require two programs with reference to those commodities?

Mr. OVERTON. Let me ask the Senator from Kansas a question: Will not the wheat farmer and the corn farmer and the cotton farmer, under the provisions of this bill, before he can obtain parity payments, have to comply with the rules and regulations of the Secretary under the Soil Conservation Act?

Mr. MCGILL. That is true; but he would receive the parity payments, and he would have a definite contract and would know what his rights were.

Mr. OVERTON. Now he has to comply with the rules and regulations of the Soil Conservation Act in order to get any parity payments. If he does do that, and then gets no parity payments at all, he should be entitled to soil-conservation payments; and that is the sole purpose of my amendment.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to his colleague?

Mr. OVERTON. I yield.

Mr. ELLENDER. The purpose of my colleague's amendment, as I understand, is to make the payments permanent; that is, to make them each year. The committee amendment as it is now written applies to 1938 only, and the purpose of my colleague's amendment is to make the payments from year to year. Am I right in that?

Mr. OVERTON. My colleague is correct in that. The committee amendment makes the principle I am now advocating apply to the 1938 program; and, as my colleague states, my purpose is to make it apply to each marketing year.

I think the amendment is fair and just.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. OVERTON. I yield.

Mr. AUSTIN. If I have correctly understood the matter, the Senator holds the same views that I have already expressed about the special meaning of the words "in lieu of." In order that this may be a matter of record which may be useful some day in the administration of this bill, I ask him if his opinion of the use of those words in the bill agrees with the holdings I have before me? One of them implies the existence of a thing replaced:

A note given "in lieu of" an insurance premium was one given instead of, in the place of, or in substitution of, the premium.

Citing a case.

I ask unanimous consent to insert in the RECORD the citations that are marked here. There are several of them, one of them dealing with that meaning, as "in the place of"; another as "in total substitution of," and so forth.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Vermont will be printed in the RECORD.

The matter referred to is as follows:

A note given "in lieu of" an insurance premium was one given instead of, in place of, or in substitution of, the premium (*Southland Life Ins. Co. v. Hopkins* (Tex. Civ. App.), 219 S. W. 254, 263).

"In lieu" means in place of the thing modified (*S. E. Hendricks Co. v. Thomas Pub. Co.* (C. C. A. N. Y.), 242 F. 37, 40).

"In lieu of," as used in St. 1923, meaning in place of, or instead of (*Seagale v. Pagni* (Nev.), 244 P. 1010).

Plea that broker agreed to accept obligation of another to pay commission in lieu of and instead of defendants held impliedly to admit that there originally was an obligation; "in lieu of and instead of" meaning in place of, or in substitution for, and implying the existence of something replaced (*Lamb v. Milliken*, 243 P. 624, 625, 78 Colo. 564).

Mr. AUSTIN. Does the Senator from Louisiana treat the necessity of his amendment as based on that understanding of the words "in lieu of" where they appear?

Mr. OVERTON. That is my interpretation of the words "in lieu of." In order to correct any injustice which might be perpetrated on the farmer who does comply with the Soil Conservation Act, I am simply asking in this amendment that the farmer be, in any event, awarded the soil-conservation payments to which he would be entitled.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. I should like to understand a little better than I do just what the effect of the Senator's amendment would be. Is it his interpretation that if his amendment should be adopted the growers of cotton, for instance, or any other product, would be entitled to both parity payments and soil-conservation payments?

Mr. OVERTON. No; I will say to the Senator from Kentucky that that is not at all the intention. If he will read the amendment—

Mr. BARKLEY. I have not the amendment before me, and it is hard to keep it in mind.

Mr. OVERTON. The amendment I propose provides that—

(c) Notwithstanding any of the provisions of this act, parity payments for cotton, wheat, and corn in any marketing year shall be computed on the basis of the payments available under the Soil Conservation and Domestic Allotment Act, as amended, in case such payments are greater than the payments available under this act.

So that the farmer will not get both the parity payments and the soil-conservation payments, but he will get the soil-conservation payments if the soil-conservation payments are greater than the parity payments.

Mr. BARKLEY. Would the Senator object to letting this amendment go over for a while? I should like to study it a little further and see if I can understand it a little better.

Mr. OVERTON. I shall be very glad indeed to accommodate the Senator from Kentucky. The amendment went over yesterday.

Mr. BARKLEY. Going over one more day will not hurt it.

Mr. OVERTON. I will state to the Senator that the sole purpose of suggesting the amendment is this: If the soil-conservation payments outweigh the parity payments, then the farmer will get his soil-conservation payments.

Mr. BARKLEY. What would be the effect of the adoption of the amendment which is pending, offered by the Senator from Utah [Mr. KING], to make \$500,000,000, the amount now available under the soil-conservation appropriation, a maximum for the administration of this act and the Soil Conservation Act too? I do not know whether or not that amendment will be adopted; but, if it should be adopted, what would be the effect upon the Senator's amendment, if there had to be a limitation of that sort on the gross amount available?

Mr. OVERTON. The cotton farmer in that event would get about 2 cents a pound as a parity payment. The cotton farmer today does not get as much as 2 cents a pound as a conservation payment. Just how much he gets I do not know; but I think it is less than 2 cents a pound, or it is about equivalent to 2 cents a pound.

Mr. ELLENDER. Mr. President, will my colleague yield?

Mr. OVERTON. Yes.

Mr. ELLENDER. Suppose the price of, let us say wheat is 75 cents a bushel, and 5 cents more will bring it to parity, and a soil-conservation payment of 7 cents is given to the wheat grower. As I understand, under the Senator's amendment the wheat farmer would be entitled to receive 7 cents.

Mr. OVERTON. Yes; under the soil-conservation payment, and he would get no parity payments.

Mr. ELLENDER. Still he would be getting a parity payment; perhaps not from the Government, but he would get a parity payment because of the fact that the price would be such as to make it equal to a parity payment under the provisions of the bill.

Mr. OVERTON. That is very true. I will say to the junior Senator from Louisiana that under the Soil Conservation Act the Government, as it were, puts itself into co-partnership with the farmer and says to the farmer: "We have a great national need. We wish the fertility of the soil of the United States restored, and, when restored, we want it preserved. We want you to pursue certain soil-building and soil-conserving practices, and, if you do so, we are going to reward you." I say that under no circumstances should the farmer be rewarded less than soil-conservation payments when he has complied with the Soil Conservation Act. That is all the amendment is intended to accomplish.

Now, if the Senator from Kentucky [Mr. BARKLEY] wishes—

Mr. BARKLEY. Mr. President, I withdraw my request that the amendment go over.

Mr. SCHWELLENBACH. Mr. President, I would appreciate it if the Senator would let the amendment go over for an hour or two.

Mr. OVERTON. Very well. I may not be here. I may be called away. May it go over until I return?

Mr. SCHWELLENBACH. Oh, certainly.

Mr. OVERTON. I have no objection to it going over, then.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. BORAH. Mr. President, before the amendment goes over and lest something might occur that it should be called up in my absence, I desire to say a word. As I understand the Senator's amendment, it has for its purpose fundamentally to see that no injustice shall be done to the soil conservationists of the country. If a man is prepared or has prepared himself for compensation under the Soil Conservation Act, then he should not be denied that compensation.

I look upon the Soil Conservation Act as fundamentally sound. Aside from the welfare of any particular farmer, we as a nation and as a people are interested in conserving the soil. I want to vote for anything that will help the farmer, but I do not want to vote for anything which disparages or discourages in any respect the soil-conservation movement. It is certainly one of the most vital matters of the country. When we consider the amount of valuable soil that is washed off into the ocean year after year, and compare that to what has happened in other countries, we must know what the ultimate result will be in this country. We ought not to trade it in or trade it out upon this bill at all. The soil conservationist should be protected and taken care of under all circumstances. If there is any problem, national in its scope and importance, it is the problem of conserving the Nation's soil. And the farmer who co-operates or who is willing to cooperate in that respect should not be bartered and traded around in order to force him into contracts or punish him if he does not desire to surrender his independence.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 13, line 21, before the word "for", to strike out "and yields" and insert "for wheat and corn", so as to make the subhead read:

Base acreages for wheat and corn.

Mr. COPELAND. Mr. President, I desire to offer an amendment at this point in order that I may have some parliamentary standing, and then I wish to explain four other amendments which have to do with the same matter.

On page 14, line 2, I move that the committee amendment be changed to read "wheat or corn for market." If that may be stated, then we will have the amendment pending.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 14, line 2, where the committee proposes to insert the words "wheat or corn", the Senator from New York proposes to add after the word "corn" the words "for market", so the sentence would read:

There shall be established for each farm of any farmer (whether or not a cooperator) producing wheat or corn for market, a soil-

depleting base acreage and a normal yield per acre for each such commodity.

Mr. COPELAND. Mr. President, I have discussed at great length the matter of having certain amendments made to the bill in order to protect the dairy farmer and, together with the Senator from Vermont [Mr. AUSTIN], I have presented four amendments. Perhaps if I submit these to the Senate now we may then determine whether it is proper for me to ask unanimous consent that all may be considered at the same time.

The first one of the amendments is the one which has just been read. The next one is on page 19, lines 6 and 7, where I propose to strike out the words "soil maintenance, soil building, and dairy" and insert in lieu thereof "soil maintenance and soil building." It is apparent why that should be done. It is to prevent the use of acreage, taken out of production by the other provisions of the bill, being used for dairy practices and the building up of additional dairying facilities.

The next amendment is, on page 30, line 10, after the word "corn", to insert the words "for market."

Then we come to page 72, line 1, where I propose to strike out the words "poultry or" and after the word "livestock" to insert the following: "(except dairy cattle)".

Then on page 72, in lines 9 and 10, I propose to strike out the words "poultry or."

On page 72, line 11, after the word "household", I propose to insert a semicolon and the following: "or if fed to poultry or dairy cattle on his farm."

Mr. President, I am sure the purpose of the amendments is clear. It is that the dairy farmer, who through a generation perhaps has been raising a certain amount of corn on his farm and putting it into a silo for his dairy cattle, the farmer producing milk for the market, shall not be required to make a record of his practices and have it charged against him.

I can readily understand that those who believe in the bill think the one-crop farmer should be protected, but it is very necessary for us who live in the cities to see to it that there is an unfailing supply of milk at a price within the reach of the consumers, most of them very poor people.

The same argument applies to poultry. A great many farmers are raising poultry for the production of eggs that may be marketed.

The amendments are presented with a view to consideration by the Senate. They have been considered by the committee. I know the amendments have been presented to those in the Department of Agriculture who formulated the bill. I think if there is a disposition to make this exemption for dairy and poultry farmers, these particular amendments would accomplish the purpose.

May I ask the Senator from Idaho if he has given consideration to the amendments?

Mr. POPE. Mr. President, with reference to the first amendment, on page 14, line 2, after the word "corn", to insert the word "for market", there could be no possible objection, because the same provision is contained at the bottom of page 15. That is exactly what is meant.

Mr. COPELAND. Then what about the other amendments?

Mr. POPE. The same thing could be said of the amendment proposed on page 30, line 10, to insert the words "for market" after the word "corn."

With reference to page 19, lines 6 and 7, where the Senator proposes to strike out "soil maintenance, soil building, and dairy" and insert in lieu thereof "soil maintenance and soil building," as I pointed out to the Senator the first day I spoke on the bill, that provision was inserted for the purpose of protecting the dairy interests. The dairy farmers who were interested in the preparation of the bill made that suggestion themselves, because without such a provision the soil-depleted acreage could be used to increase dairy herds and perhaps do other things that would be injurious to the dairy industry. It was thought advisable to give the Secretary power to limit that use.

Therefore I call the attention of the Senator again that it was at the request of the dairy interests themselves, so that

there might be some sort of restriction placed upon the use of soil-depleted acres for increasing dairy herds and therefore increasing the competition with the dairy farmer, that such a provision was inserted in the bill.

If the Senator desires to remove that restriction, very well. I think we should understand it was intended as a restriction or limitation upon the increase of dairy herds.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. DUFFY. I may say to the Senator from Idaho that, not knowing that the Senator from New York had prepared these amendments, I had prepared similar amendments. It seemed to me in reading the section that it was offering an inducement to farmers who take acreage out of the production of wheat and corn to use such land for dairy practices.

Mr. POPE. The intention was that the Secretary should restrict dairying activities.

Mr. DUFFY. Was it the idea of the committee that if they gave the Secretary this power he could provide in the contracts the restricted use of diverted acreage so that it could not be used for the production of dairy products?

Mr. POPE. That is true. If the language is not clear, and if Senators feel the idea back of putting dairy practices in this provision is not fully covered, then perhaps some restrictive words should be added to accomplish that purpose.

Mr. COPELAND. I ask the Senator this question in order to make the record clear: It is not intended that the acreage diverted from the usual crops shall be used for grazing purposes for the development of new competition with the dairy industry. Is that correct?

Mr. POPE. That is the reason for putting that provision in the bill. I would not want to say to the Senator that, if there should appear to be a great shortage of milk and dairy products, the Secretary might not have the power to take that into consideration, but the purpose was to bring about that limitation or restriction.

Mr. COPELAND. I ask the Senator to turn to page 72 and consider the amendment proposed there, to strike out the words "poultry or" and after the word "livestock" to insert the words "(except dairy cattle)." Would that be acceptable to the committee?

Mr. POPE. In response to the question of the Senator, I will say that, so far as poultry is concerned, that was an amendment, as the Senator will observe, inserted by the Committee on Agriculture and Forestry. I myself think, however, that the use of these commodities for poultry is a minor matter. I can see a good deal of difficulty in the administration of the act. Therefore I, for one, would not object to having poultry stricken out. But I would object at this point to excepting dairying from the provision.

Mr. COPELAND. Why does the Senator say that?

Mr. POPE. Because the dairy interest is so extensive, and would consume such a large amount of corn and other commodities, it would be very similar to the feeding of corn to hogs. About 80 percent of the corn raised is fed to hogs and marketed in the form of pork. It is very obvious, it seems to me, that should be taken into consideration. The mere fact that very little corn is marketed, but that vast quantities of hogs are marketed, should be taken into consideration, and would warrant the provision here. The same thing would seem to be true of dairying and livestock. But with reference to poultry, as I said a few moments ago, it seems to me that might very well be eliminated. Perhaps other members of the committee, who were responsible for inserting this amendment, would have something to say about it.

Mr. COPELAND. What has the Senator to say about our suggestion that at the end of line 11 on page 72 there should be added the language, "or if fed to poultry or dairy cattle on his farm"? Does he feel the same about that as about the provision in line 1?

Mr. POPE. With reference to poultry, I make the same statement, that I would be willing to eliminate poultry. As to dairy herds and cattle, I think we should give con-

sideration to that before it is stricken from the bill. Corn and other commodities are fed to livestock, which includes hogs, as well as cattle, and we should give a great deal of consideration to the provision before it is stricken from the bill. As the Senator knows, about 80 percent of corn is fed to hogs.

Mr. COPELAND. I know; but that is a far different problem from the one I am discussing. If all these amendments were adopted, it would mean that the farmer who raises corn on his own farm to feed cattle for milk production would not suffer the penalties of the bill. I would say it would be quite different from the matter of feeding hogs. I suppose that, as a matter of fact, very little corn ever leaves the county where it is produced, but it goes into hogs and is marketed as pork. I am not proposing at all that on livestock generally there shall be any restriction, but as to dairy cattle which the farmer has for the one purpose of producing milk for market, and for which he is raising feed, it would mean, if he were brought under the penalties of the bill, that of course he would have to go into the market to buy the surplus beyond that which he would be permitted to raise, and as sure as he did that, it would increase the cost of milk, which is consumed largely by the poor. I think that at the present price pork is consumed only by the rich, but milk will still be consumed by the poor, and used in the homes of the poor, in order that the babies may survive. I make a plea that the committee give this due consideration.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McNARY. I am not conversant with the amendment proposed by the Senator. Has it been printed?

Mr. COPELAND. It has been printed.

Mr. McNARY. While I think our aims are identical, a few days ago, at the request of the National Milk Producers' Association, I proposed an amendment covering the dairy situation, which goes to the extent of providing that when the soil preserving and building crops, which normally are used in the production of the major commodities, are planted, namely, legumes, we will say clover, alfalfa, or peas, those products shall not be sold in the market, but they may be fed on the place. That would prevent anyone from using diverted lands for the purpose of expanding the dairy industry. "Marketing" I have defined as selling in the open market. It would prevent the use of the croplands to enlarge the base of the present dairy industry.

Probably the amendment of the Senator covers my amendment. I have this in mind. Suppose one had 160 acres in wheat, and the Secretary of Agriculture told him he could plant 120 acres in wheat. He would have 40 acres idle, which he could plant to legumes, soil-building crops. It is with that 40 acres that I deal in my amendment. I offer this illustration as probably making clearer the language I have used. I wonder whether the Senator's amendment covers that very phase of the use to which one may put the acreage used for soil-building purposes?

Mr. COPELAND. Through his amendment the Senator seeks to have the material fed only to the stock of the farmer who has a restriction on his acreage? He is not to sell it?

Mr. McNARY. It may be used for the purpose of building the soil. In other words, if the Senator is a practical farmer—

Mr. COPELAND. As I am.

The PRESIDING OFFICER. The time of the Senator from New York on the amendment has expired.

Mr. COPELAND. I will take my time on the bill, so that the debate may continue.

Mr. McNARY. If the Senator plants his clovers or his peas, or any nitrogenous plant which brings nitrogen out of the air, he gets the best results by plowing the crop under, rather than feeding it, because he gets not only the nitrogenous element but the humus elements, which are found above the soil in the stem, in the flower, in the blossom. My amendment requires that such crops be used

for the purpose of enriching the soil and not be used to expand the dairy industry. In other words, the Senator is enough of a horticulturist or farmer to know the proper practice to be followed to enrich the soil. If the farmer is to get the great value out of the planting of these crops, the crops should be returned to the soil. That is soil conserving.

Mr. COPELAND. I agree with that.

Mr. McNARY. But to plant them and sell them or use them to run the dairy farm is not doing that for which benefit payments are made. That is the point. I say the 40 acres which I plant to these legumes must be plowed under in order to get the full utilization of the values involved, and cannot be used to expand the dairy industry. Is that clear to the Senator?

Mr. COPELAND. I see exactly what the Senator has in mind, and we had the same thing in mind with reference to our proposal on line 6, page 19. We propose to omit the words "and dairy practices," and between the words "soil-maintenance" and "soil-building" to insert the word "and", so that it would read:

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance and soil-building with respect to his soil-depleting base acreage—

And so forth. He would, therefore, have to do exactly what the Senator proposes. Through the omission of the words "and dairy practices," he would not be permitted to put cattle on the soil to eat the forage.

Mr. McNARY. I am not so certain of that. I think I suggested that when we first considered it. I think it requires some amplification in the way of additional language, but I am in accord with the Senator's general purpose.

Mr. POPE. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. POPE. With reference to the arguments which have been made regarding the dairy provision, one is that the farmer should be able to feed to his dairy cattle whatever he may raise, without such commodities being defined as for market. On the other hand the suggestion made by the Senator from Oregon was that that would tend to increase the dairy herds, because there would be additional surplus commodities fed to them. So I had prepared an amendment to deal with this matter. It was rather carefully prepared. I had the Department draft it and I shall read it. There are men in the Department who are familiar with that sort of thing. The proposed amendment would read:

Whenever the Secretary has reason to believe that the income of producers of livestock or livestock products in any area from such sources is being adversely affected by increases in the acreage of conserving crops in that or any other area because of programs carried out under this act, or under section 7 to 17 of the Soil Conservation and Domestic Allotment Act, he shall make an investigation with respect to the existence of these facts. If upon investigation the Secretary finds that the income of producers of livestock and livestock products in any area from such sources is being so adversely affected, he shall as soon as practicable make such provisions as he determines may be required with respect to the growing of conserving crops which he finds necessary to protect the interests of producers of livestock or livestock products in the affected area.

I had intended to offer that as section 66, at the end of the bill, rather than as an amendment to any committee amendment in the bill. It has been rather carefully prepared and I intended to offer it, and I believe it will tend to accomplish the purpose which both Senators have.

Mr. DUFFY. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. DUFFY. I think I quite agree with the Senator from Oregon in the statement he makes that the mere striking from the bill of the language complained of on page 19 would not be sufficient. From a hasty consideration of the statement just read by the Senator from Idaho in the form of a proposal that will be offered as an amendment I am inclined to think that may cover the situation. The dairy farmer does not object to residents of other parts of the

country going into dairying if they do it under their own power, but they do object to having the Federal Government subsidize competition with them. It is very evident that if the withdrawn acres, 40,000,000 or more, are planted to legumes and various kinds of grasses, unless some definite restriction is made it will be nothing less than a subsidy to other people to go into dairy farming, and that is what the people of my State, at least, are complaining of.

From a hasty consideration I am inclined to think that the amendment the Senator from Idaho is to propose may cover the situation. I do not believe that a mere striking of the language on page 19, lines 6 and 7, will be sufficient.

Mr. COPELAND. The Senator from Wisconsin would hardly be satisfied by stopping there, would he? Does he not desire that the dairy farmer may feed his own cattle on his own farm from products raised on his own farm?

Mr. DUFFY. Yes. I was about to ask the Senator from New York whether he does not believe that a dairy farmer who raises just enough corn on his farm to fill his silo, who does not have anything to sell, does not have any corn to go into the market, under the national quota provision would suddenly find himself with his silo only three-quarters full because he would be restricted in the acreage he could use in raising corn?

Mr. COPELAND. I do.

Mr. DUFFY. I think certainly that situation should be remedied, because such corn is not used for any other purpose than feeding dairy cattle. In my part of the country farmers do not figure how many bushels of corn shall be raised to an acre. They just figure how many acres are necessary to raise corn to fill the silo.

Mr. POPE. Mr. President, will the Senator yield to me on that point?

Mr. COPELAND. I yield.

Mr. POPE. I may say to the Senator from Wisconsin that that difficulty has been realized by those who have been working on the bill. There is now in course of preparation an amendment dealing with the matter of ensilage. I think it will be ready by tomorrow morning, and I shall be glad to submit a copy of it to those who are interested, because I realize, as the Senator from Wisconsin has pointed out, that there should be a variation in the program to take care of that sort of situation.

Mr. COPELAND. I think that will be a very delightful arrangement if it can be brought about.

Mr. POPE. That, together with the amendment which I have not offered because I did not think it was appropriate to do so yet, I think will cover the point raised by the Senator.

Mr. COPELAND. As I understand, the committee is agreeable to having inserted after the word "corn" on page 14, line 2, the words "for market."

Mr. POPE. Yes.

Mr. COPELAND. And likewise, on page 30, line 10, the committee is agreeable to having the same words inserted.

Mr. POPE. Yes; we have no objection to that.

Mr. COPELAND. Then I ask, Mr. President, that these amendments, which are identical—one on page 14, line 2, and the other on page 30, line 10—may be made.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from New York to the committee amendments at the places indicated.

Mr. O'MAHONEY. Mr. President, before the amendments are put to a vote, I desire to inquire of the Senator from New York whether he has offered an amendment in line 7, on page 19, striking out the words "dairy practices."

Mr. COPELAND. I may say to the Senator, who was detained for a while from the floor on official business, that the Senator from Oregon [Mr. McNARY] has an amendment which perhaps covers that point.

Mr. O'MAHONEY. Yes; I am familiar with that amendment.

Mr. COPELAND. Then the Senator from Idaho [Mr. POPE] has another amendment; and, as I understand, the matter will go over until tomorrow, so that those of us who are interested will have an opportunity for consultation.

Mr. O'MAHONEY. That is what I want to make clear. I am familiar with the amendment offered by the Senator from Idaho [Mr. POPE], as well as the amendment offered by the Senator from Oregon [Mr. McNARY]. I was anxious that there should be a complete understanding that when the amendment of the Senator from Idaho is presented, it will be in lieu of the amendment which the Senator from New York has been presenting.

Mr. COPELAND. That is the way I understand the matter.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. AUSTIN. I do not understand the matter in quite the same way that my colleague does. I join him in offering the proposed amendments. I think they differ entirely from the amendments proposed by the Senator from Oregon, and that the amendments proposed by the Senator from Oregon and by us will not affect the same field of the bill.

Mr. COPELAND. I may say to the Senator from Vermont that, as I understand, the Senate has now adopted two of our amendments. As regards the rest of them, as I understand the situation, they are to go over in order that we may hear from the Senator from Idaho [Mr. POPE] and the Senator from the great State of Wyoming [Mr. O'MAHONEY], and also to compare our amendments with the amendments which the Senator from Oregon has presented. In other words, we are not closing the gate.

Mr. AUSTIN. Mr. President, in what I have asked I do not mean to indicate any disagreement with the coauthor of the amendments, save in the respect to which I have referred; but before the Senator asks that the matter go over, I should like to make a little statement of my understanding of the amendments.

Mr. COPELAND. Mr. President, I take it—and I ask the Senator from Idaho if I am right—that this whole matter, so far as these remaining amendments and those offered by the Senator from Idaho and the Senator from Oregon are concerned, is in a state of flux at the present moment.

Mr. POPE. Yes; the amendments will go over until tomorrow.

Mr. COPELAND. So I will say to the Senator from Vermont that tomorrow we shall have another chance to do what we can to preserve the dairy and poultry industries.

Mr. AUSTIN. Mr. President, a parliamentary inquiry: Would the Senator from New York be barred from speaking on these amendments tomorrow in view of the suggestion of the Senator from Idaho [Mr. POPE] that we are to receive further information relating to the matter?

The PRESIDING OFFICER. The Chair is of the opinion that the Senator from New York would be barred from speaking further on the amendment; but he still has some time on the bill.

Mr. COPELAND. Then, Mr. President, I think perhaps the suggestion of the Senator from Vermont that I wait until tomorrow is a very good one. I suggest that the matter in question go over until tomorrow.

The PRESIDING OFFICER. Without objection, the amendments referred to will go over until tomorrow.

Mr. BILBO. Mr. President, in this connection I call the attention of the Senate to a somewhat similar amendment offered in the House by Mr. BOILEAU on December 2, which will be found in the CONGRESSIONAL RECORD at page 768. In the discussion of this amendment, which dealt with the use of diverted lands, Mr. BOILEAU inserted in the RECORD a telegram which he received from Mr. Gaston Ferrell, of Columbus, Miss. This telegram from Mr. Ferrell, addressed to the Representative from Wisconsin, reads as follows:

My family owns and operates about 5,000 acres of farm land, cotton being our main crop. Any restrictions by Congress in growing cotton will force us into dairying, and where we now sell milk from 25 cows, it will increase to 150, thereby coming into competition with dairying in your State and section. Hope you can defeat all this crazy farm legislation. Farmers favor crop reductions only for the doles they have been getting.

GASTON FERRELL, Farmer.

That telegram from a constituent of mine is an indictment of every farmer in my State and of every farmer in America who looks with favor upon any control program.

Mr. President, yesterday I received the following telegram:

COLUMBUS, MISS., December 6, 1937.

HON. THEODORE G. BILBO,

United States Senate:

At mass meeting of farmers held in courthouse today it was resolved to send the following telegram to you: "Gaston Ferrell, whose telegram to Representative BOILEAU, of Wisconsin, was read in the House, is a Republican and has opposed all of the administration farm program for the South. He contested Bankhead bill in Federal court. He has lived in this county only a short time and is not representative of our people or their sentiments. He is opposed to all New Deal measures."

W. G. EVANS, Chairman.

The purpose of putting this telegram in the RECORD is to demonstrate to Senators that they are mistaken if they think any reputable citizen of my State is opposed to a control program as a means of bringing relief to the South. I think I can state affirmatively, after making 22 speeches just before coming to this session of Congress, that 95 or 98 percent of the people of Mississippi are in favor of a control program insofar as cotton is concerned. When we say control, we mean compulsory control, because there is no control unless it is compulsory.

I wanted the Senate to have the benefit of the information about this gentleman from my State who attempts to speak for the people of my State.

The PRESIDING OFFICER (Mr. CLARK in the chair). The clerk will state the next amendment.

The next amendment was, on page 14, line 3, after the word "each", to strike out "major agricultural" and insert "such", so as to read:

A soil-depleting base acreage and a normal yield per acre for each such commodity.

The amendment was agreed to.

The next amendment was, on page 14, line 5, after the word "for", to strike out "the several major agricultural" and insert "such", so as to read:

(b) The national soil-depleting base acreage for such commodities shall be as follows:

The amendment was agreed to.

Mr. McNARY. Mr. President, I realize the futility of joining the Secretary of Agriculture in objecting to some of the suggested amendments, but I find it very discriminating to remove the provision regarding soil-depleting base acreage as to cotton and rice and tobacco and leave it as to wheat and corn.

I make the statement only to show again the discrimination, the unfair practice—almost an unfair agricultural practice, to use language contained in the bill—against wheat and corn.

When this bill was taken to the country it was generally understood that the soil-depleting base acreage as specified in the bill was applicable to all commodities. When the bill comes back into the Senate after hurried consideration it removes the limitation as to cotton and tobacco and to rice, but leaves it as to wheat and to corn. I cannot imagine why a discrimination of that kind was practiced.

Mr. President, if there should be a provision as to soil-depleting acreage in the case of wheat and corn—which means a limitation upon the acreage on which wheat can be grown and the acreage on which corn can be grown—the same limitation should be made by a parity of reasoning in the case of these other commodities.

Much has been said about the farmers being satisfied with this measure. If so, it has been changed most generously. I ask that the able Senator from Idaho [Mr. POPE] or the able Senator from Kansas [Mr. MCGILL] give some reason why we have this amendment before us in the manner I have indicated.

Mr. POPE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. McNARY. I yield.

Mr. POPE. I think this matter has been discussed perhaps two or three times during the consideration of the bill.

As the Senator stated, originally base acreages were set out for wheat, cotton, corn, rice, and tobacco. However, the cotton, rice, and tobacco provisions of the bill were separated from those relating to wheat and corn, in the matter of base acreage; so that since this portion of the bill now refers only to corn and wheat, the base acreages for wheat and corn are set out, and the base acreages of the other commodities are stricken out of this portion of the bill.

I think I should say further, however, that a slightly different method of calculating the national base acreages is contained in the provisions with regard to cotton, rice, and tobacco than the provisions contained here. I have had a chart prepared which shows the different methods of approach. For instance, on page 14 the acreage for wheat is fixed at 67,400,000 acres. When the Secretary determines the number of acres at the average production that would produce a balanced supply of wheat, let us say, a percentage is deducted from the 67,400,000 acres, bringing it down, say, to 55,000,000 acres. That is the necessary acreage to raise the amount of wheat to balance supply with demand. In the other method of approach, adopted in the cotton, tobacco, and rice provisions of the bill, instead of providing a base acreage and then making a percentage reduction from it, the Secretary just arrives at the number of acres at the average yield per acre that would produce the balanced supply.

It can be seen at once that the result would be the same, and I agree with the Senator from Oregon that the same method should be used in arriving at the allotment of acreage as to all the commodities. But the corn and wheat farmers with whom we were in touch thought that because they were familiar with this method of approach they could see certain advantages in the method indicated on page 14 of the bill. Frankly, I cannot see any such advantages, except perhaps the one as to familiarity. But the Senators representing the sections in which cotton, rice, and tobacco are produced could see no such advantages, and therefore there are the two slightly different methods of arriving at the allotment of acres; but they reach the same result, as will quite clearly appear from the chart to which I have referred.

Mr. McNARY. Mr. President, the Senator from Idaho attempts to be fair, and is fair on all occasions; but he does not agree with the Secretary of Agriculture, to say nothing of the Senator from Oregon.

The Secretary, in his letter which I have before me, very explicitly says that there should be one formula, and not two, for these matters. It affects the workability of the measure. Let me see what he says:

The method of acreage allotments for cotton could be revised so as to avoid difficulties and inequalities. As now drawn, the bill would result in the assignment of acreage allotments to many farms where they could not be used economically. It would tend to freeze cotton production in uneconomic areas. It would also tend to force all farmers in a county to adopt the same cropping system. A farmer who produces other cash crops, as tobacco, rice, peanuts, potatoes, wheat, or truck crops, would receive just as large a cotton allotment as a farmer whose only cash crop is cotton. Hence the bill now tends to discriminate against the best cotton areas and against farmers who have to depend entirely or almost entirely on cotton.

Those are the words of the Secretary of Agriculture. The language is more explicit and forceful than I could employ, and that is only a part of his criticism.

Mr. President, I do not desire to repeat the argument I made last week; but we are dealing here with five commodities. We started to deal with them all justly and fairly, upon a basis of equality; but from day to day we find amendments in the bill which treat of them separately and in unfair, discriminating fashion. Why, I ask, should we put a limitation on the soil-depleting base acreage for corn and wheat which is not applicable to other commodities? And I may ask, parenthetically, why should we do that after the farm-

ers of the country had read the bill and thought all products were on a basis of equality?

Mr. MCGILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kansas?

Mr. McNARY. I am very happy to yield.

Mr. MCGILL. I do not wish to occupy the Senator's time.

Mr. McNARY. That is all right; I am about through. Go ahead.

Mr. MCGILL. Mr. President, I recognize what is in the letter addressed by the Secretary to the Senator from Idaho [Mr. POPE] and myself, and I think the committee was fully aware of the attitude of the men in the Department of Agriculture at the time when these committee amendments were voted upon. The facts are the wheat and corn farmers are familiar with this program as outlined on page 14 with reference to wheat and corn; and each wheat farm or corn farm in the country will have its base acreage allotted to it under the system outlined on page 14. Whenever in any year the Secretary announces, for instance, in order to adjust production a certain percentage less acreage should be planted, the farmer will know, without any further word from the Secretary, just exactly how many acres he is allotted to plant. He would not have to wait until the Secretary determines all the figures and details under the so-called allotment plan and then wait to have it explained to him.

I think the plan outlined on page 14 should never have been departed from in the case of any of the commodities; that it is much more plain and understandable by the farmers themselves; and I very much hope the committee amendments will be agreed to.

Mr. BILBO. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Mississippi?

Mr. McNARY. I yield the floor to the Senator.

Mr. BILBO. The Senator from Oregon has just read part of the letter of the Secretary of Agriculture, in which the Secretary of Agriculture takes exception to the formula of the allotment of cotton acreage to the counties as well as to the farms of the States. For the information of the Senator, I will say that that objection is well taken, and had been discovered before the Secretary wrote his letter, and the Senator from Louisiana has prepared an amendment which would prevent any "freezing" of cotton production to lands that are not economically adapted to growing cotton. That matter will be taken care of by an amendment offered by the Senator from Louisiana in due time.

Mr. McNARY. Mr. President, that is a hopeful sign that some intelligent consideration will be given to the bill. I suggest, then, that we pass over this item for the present.

The PRESIDING OFFICER. What is it that the Senator from Oregon further requests to have passed over?

Mr. McNARY. There is more or less intimacy in the relationship of all these commodities; but if we are going to pass over one, I suggest that we pass over the whole item until it may be cured by the amendment which, as has been suggested, will be offered tomorrow by the Senator from Mississippi.

The PRESIDING OFFICER. The Chair simply wishes to understand the request of the Senator from Oregon. Is the Chair to understand that the Senator from Oregon asks that the amendments contained in lines 8 to 18, inclusive, on page 14, be passed over?

Mr. McNARY. Yes, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. BORAH. Mr. President, do I correctly understand that the Senator from Oregon asks that the amendments on page 14 go over?

The PRESIDING OFFICER. The Chair understands that the Senator from Oregon has requested that the amendments contained in the bill from lines 8 to 18, inclusive, on page 14, be passed over.

Mr. BORAH. Mr. President, before that request is acted upon, and while the amendments are still pending, I desire to call attention to a matter which perhaps is, in the minds of some, irrelevant, and that is the constitutionality of this entire provision.

I have not the slightest idea upon what constitutional principle this entire provision is based. I should like to know upon what theory it is assumed that the Secretary of Agriculture may make an allotment as to how much of the acreage of a State shall be utilized for the production of wheat and corn. I think it is a pretty serious matter, because it does not relate alone to this bill; it is a matter which may involve many future acts of legislation.

What is it proposed to do here? The bill says:

The national soil-depleting base acreage for wheat and corn shall be allotted by the Secretary among the several States and among the counties or other administrative areas therein deemed the most effective in the region for the purposes of the administration of this act. Such allotment among the several States shall be on the basis of the acreage devoted to the production of the commodity during the preceding 10 years.

I need not read the remainder of the section; but it goes forward and finally results in allotting so much acreage to each particular farm for the production of wheat or corn.

Then on page 20 the effect of the matter is more prominently brought into view, where the bill says:

(c) If any cooperator during any marketing year produces corn or wheat on acreage in excess of his soil-depleting base acreage for such commodity or fails to divert from the production of any such commodity the percentage of his soil-depleting base acreage therefor required pursuant to this section, then for such marketing year such cooperator shall be deemed a noncooperator and shall not be entitled to surplus reserve loans or parity payments with respect to his production of the commodity for such marketing.

What is proposed is that the Secretary of Agriculture shall allot to the State of Idaho the amount of acreage which the State of Idaho may employ in the production of wheat and corn, and that if an excess of acreage is utilized by the farmer, he shall be considered a noncooperator, and shall be deprived of any benefits under the bill.

What I am asking is, upon what constitutional principle is that based? It certainly is not the regulation of interstate commerce, because the commodity is not in existence. It is an attempt to control the farmer as to how many acres he shall sow or plant, not an attempt to control a commodity after produced and placed in the way of commerce. It certainly is not approaching the channels of interstate trade; it is not in existence. We are saying, in advance of the production of the article or the commodity, in advance of any possibility of its being considered a commodity in interstate commerce, that the Secretary of Agriculture may allot to a State how much acreage shall be used for the purpose of production. A large part of the products, if produced, would never be shipped.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. BORAH. I yield.

Mr. ELLENDER. The Senator from Idaho has spoken very favorably about the Soil Conservation Act and has commended it very highly. I ask him if it is his opinion that that act is constitutional?

Mr. BORAH. Mr. President, I am now discussing the pending bill. When a little more time than 15 minutes is allotted, I am perfectly willing to show the very wide constitutional difference between the Soil Conservation Act and this measure. At the present time, however, I am asking where we can find the constitutional authority for this bill.

Mr. ELLENDER. Mr. President, will the Senator further yield?

The PRESIDING OFFICER. Does the Senator from Idaho further yield to the Senator from Louisiana?

Mr. BORAH. I yield.

Mr. ELLENDER. Under the Soil Conservation Act, in order for a farmer to be eligible for payment he must make certain soil-depleting acreage diversions. The class of

soil-building and soil-depleting crops are specified. In the case of the pending bill the Secretary goes just a little further and establishes for each farm a soil-depleting base acreage for wheat or corn, as the case may be, and limits the production of wheat or corn to the base acreage established for each farm. Should the farmer perform he receives payments and loans as a cooperator in the same manner as he would were he to follow certain practices under the Soil Conservation Act.

Mr. BORAH. Mr. President, I do not care to yield more of my 15 minutes to discuss the Soil Conservation Act. Assuming the Senator is correct that the Soil Conservation Act is based upon the same principle, I desire to know upon what principle both of them are based?

Mr. POPE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to his colleague?

Mr. BORAH. I yield.

Mr. POPE. I may say to the Senator that on the first day the bill was discussed, as appears on pages 534 to 538 of the RECORD, authorities were given by me, and later the Senator from Alabama [Mr. BANKHEAD] discussed exactly the same question in reference to the cotton quota and the whole program contemplated by the bill. We attempted to show, particularly as to wheat, cotton, and corn, where the great majority of the commodity is constantly shipped in interstate commerce, that the whole program of reducing and controlling surpluses comes within the provision of the Constitution as it relates to interstate commerce. It is a long argument, and I do not care to repeat it.

Mr. BORAH. Yes; I heard my colleague, and I also am familiar with the authorities to which my colleague referred. For instance, my colleague relies on the Jones-Laughlin case. To my mind, the Jones-Laughlin case does not announce any principle within that which is here invoked. The Jones-Laughlin case dealt with acts which took place after the commodity had been put in the channels of interstate trade. The Jones-Laughlin case did not undertake to deal with the question of production of ore prior to the time the ore was being produced, but with the complete program for shipment in interstate commerce. In that case we had a corporation which was engaged in interstate commerce, in production, in manufacture, in the sale and shipment of a manufactured product, and the Court, dealing with a particular instance at the time which was moving in interstate commerce, said they would treat the matter as a whole. But that is not this case by any means.

The Court said in that case that the relationship must be intimate and substantial before they could take control of anything in the nature of intrastate transactions.

Mr. POPE. Mr. President, will my colleague yield further?

Mr. BORAH. I yield.

Mr. POPE. I invite the Senator's attention to the fact that in the Jones-Laughlin case the Court dealt with individuals who were engaged in local employment so far as the company was concerned. One was a motor inspector and another was engaged in the manufacture of commodities in connection with the steel plants located entirely within the State. There were no orders to ship the particular goods in interstate commerce. They were simply there working, producing materials and piling them up for possible future shipment in interstate commerce. It seems to me quite clear that the majority of the Court, in discussing interstate commerce, considered acts which in themselves would be purely local acts. It seems to me it was clear in that case that those acts were in the stream of interstate commerce. However, it is apparent my colleague does not agree with me.

Mr. BORAH. What were the facts in the Jones-Laughlin case? The raw material was produced. There was no effort to limit production or to say in advance how much ore should be mined. It was put in the channels of interstate trade. It was in process of movement in interstate trade. It was stopped for the purpose of being processed into another condition. The Court held that it was all one transaction, that whatever took place at Aliquippa

was part of the movement in interstate trade; that the commodity did not stop there, that it did not begin there, that it was simply halted for the purpose of being changed from one form of manufacture to another. The Court was careful to say that it in no sense modified the N. R. A. case or the cases with reference to production. But owing to the fact that it was all one transaction, all one movement, all designed to accomplish a certain purpose, and that was to get the manufactured material in such condition that it ultimately could be sold, the Court held that it came within the interstate commerce clause of the Constitution. In my opinion the Court in no sense laid down so broad a rule as to say that prior to the production of coal or prior to the production of iron ore we could say how much the corporation would be permitted to produce.

What is being done here is to say in advance of its production, in advance of it being put in condition where it ever can be put in interstate commerce, how much a steel company like Jones & Laughlin would be permitted to produce in the State of Michigan.

I did not want the bill to go to final vote without recording my view as to this particular constitutional question.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon that the amendment go over? The Chair hears none, and the amendment will be passed over. The clerk will state the next amendment.

The CHIEF CLERK. On page 14, line 19, after the word "for", it is proposed to strike out "any major agricultural commodity" and insert "wheat and corn", so the sentence would read:

The national soil-depleting base acreage for wheat and corn shall be allotted by the Secretary among the several States and among the counties or other administrative areas therein deemed the most effective in the region for the purposes of the administration of this act.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment of the Committee on Agriculture and Forestry was, on page 15, line 20, after the word "which", to strike out the words "no major agricultural commodity is" and insert "the commodity is not", so the sentence would read:

Each such local allotment, after deducting acreage devoted to the commodity on farms on which the commodity is not produced for market, shall be allotted—

And so forth.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 15, line 22, after the word "through", to insert the words "the State, county, and", and in line 23, after the word "farmers", to insert "hereinafter provided", so the sentence would read:

Each such local allotment, after deducting the acreage devoted to the commodity on farms on which the commodity is not produced for market, shall be allotted, through the State, county, and local committees of farmers hereinafter provided, among the farmers within the local administrative area—

And so forth.

Mr. GILLETTE. Mr. President, I dislike to take the time of the Senate when we are so anxious to get along with the bill, but the amendment now pending is not as innocuous as it would seem. It goes to the very heart of the principle upon which the farmers of the country have insisted. The principle upon which the farmers have insisted, and one of the things I pointed to with pride in the preparation of the farm bill, is that we are going to have it administered locally, that we are going to allow the farmers to administer it so far as we can. That is a thing we seek above everything else. The committee amendment now pending would take away the last vestige of local control in the bill.

I invite the attention of the Senate to page 14, subsection (c), where it is provided that "the national soil-depleting base acreage for wheat and corn shall be allotted by the Secretary among the several States and among the counties or other administrative areas" as he deems necessary. Later in the bill, on page 73, under "utilization of local agencies,"

it is provided that in such administrative units as he sets up the farmers owning farms within those units shall elect local committees. We provide that the chairmen of those local committees shall constitute the county committees. We provide there shall be a State committee selected by the Secretary.

In the amendment to which I am inviting attention, on page 14, we say to the Secretary, "Allot the State quota, allot the county quota, allot the administrative unit quota." In the provision we are discussing the only authority given the local committee selected by the farmers anywhere, if given anything, is to assign that local allotment to the farmer or the individual farm, and yet here by the amendment we are proposing that the State and local allotments shall be allotted to the individual farmer "through the State, the county, and the local committee of farmers hereinafter provided." What possible authority could there be in the State or in the county to make the local allotment of administrative units where the administrative committee is selected by the farmers themselves, and is the only committee they have any right or any authority under the bill to elect?

Later the same provision is made with reference to the fixing of the quotas. When the quota system is invoked and put into effect, the same provision will have to be taken care of. I hope that these words "State, county, and" may be stricken out. I cannot propose such an amendment at this time because it would change the text; but I hope at the proper time the word "through" may be changed to "by," so the local allotments may be made by the local committee selected by the farmer.

Mr. POPE. Mr. President, I am in thorough accord with the purpose of the Senator from Iowa, but I want to ask him whether or not striking out the words to which he referred would not make necessary some modification of the amendment which the Committee on Agriculture and Forestry adopted, providing for the election and functions of the county committee?

Mr. GILLETTE. I think not, because on page 74 it is provided that the Secretary shall make such regulations as are necessary to carry out the provisions of the section, including regulations for carrying out the functions of the different administrative units. The regulations will be provided by the Secretary for all the units down through the State, county, and administrative units. The only authority that we can possibly give under the bill is to let this local committee, whose members have been elected by the farmers, allot to the individual farms; and by the amendment as it was proposed in the committee we are taking even that authority away from them.

Mr. POPE. I do not clearly understand the effect of the words "State, county, and local committees," then. Of course, I think the Senator will agree with me that the local committee would not be in a position to make a national allotment.

Mr. GILLETTE. Oh, no.

Mr. POPE. Nor a State allotment and not a county allotment, but they should have the right and, as I understood it, they do have the right to make the individual farm allotments. If the effect of the Senator's position is to make that clear, I am in accord with him, because I thoroughly desire to have this in the hands of the local farmers for administration to just as great an extent as possible.

Mr. GILLETTE. At the bottom of page 14, subsection (c), the Secretary allots the State allotment, he allots the county allotment, he allots the administrative-unit allotment, so there is nothing for anybody else to do. There would be no interference with the local committee allocating to the farms the particular allotments to which they would be entitled.

Mr. O'MAHONEY. Mr. President, let me say that the Senator has convinced me of the correctness of his position.

Mr. GILLETTE. I am delighted.

Mr. O'MAHONEY. I wonder why the Senator does not perfect the amendment which has been offered by the committee, now that the Senator from Idaho has indicated that

he would be willing to adopt the suggestion of the Senator from Iowa. The amendment offered by the committee includes four words, "the State, county, and." If the Senator from Iowa would perfect the amendment by striking out the words "State, county, and," the committee amendment would stand on the word "the," and the object which the Senator has in mind would be attained, would it not?

Mr. GILLETTE. If the committee amendment shall be rejected, the words "the State, county, and" will not be in the bill. If the present speaker had the authority under the rules to change the word "other" to "by," in the text of the bill, at this time, he would be glad to have that done.

Mr. O'MAHONEY. Does the Senator desire to go that far, to provide that the local allotment should be made by the local committee?

Mr. GILLETTE. By all means, under the regulations which the Secretary will promulgate, under the provision on page 74.

Mr. O'MAHONEY. Does the Senator then propose offering an amendment?

Mr. GILLETTE. I will do so as soon as permitted.

Mr. O'MAHONEY. Then I suggest to the Senator that, instead of permitting the committee amendment to be adopted, he ought to ask that it go over until he is ready to present the other amendment.

Mr. POPE. Mr. President, I have discussed the matter with the coauthor of the bill, and we both agree with the Senator, and I am perfectly willing to have the committee amendment rejected. If there are other members of the Committee on Agriculture and Forestry who desire to have it retained as it is, that is another matter.

Mr. MCGILL. Mr. President, will the Senator from Iowa yield to me?

Mr. GILLETTE. I yield.

Mr. MCGILL. Would not the purpose be accomplished by striking out, in the amendment, on lines 22 and 23, the words "State, county, and"?

Mr. O'MAHONEY. That is what I suggested a moment ago.

Mr. MCGILL. I think we can agree to allow that to be done, if that meets the Senator's purpose.

Mr. GILLETTE. That will be agreeable. I ask unanimous consent that, in the event the committee amendment is rejected as to the words indicated, I may be permitted at this time to offer an amendment to change the word "through" to "by."

The PRESIDING OFFICER. The Senator from Iowa offers an amendment to the committee amendment on page 15, line 22, that the words "State, county, and" be stricken from the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The Senator now asks unanimous consent that he be permitted to offer an amendment on line 22. Is there objection? The Chair hears none, and the Senator may offer the amendment.

Mr. GILLETTE. Mr. President, in line 22, page 15, I move that the word "through" be stricken out and that there be inserted in lieu thereof the word "by."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 15, in line 24, after the word "which", to strike out "one or more major agricultural commodities" and insert "the commodity", so as to read:

(d) Each such local allotment, after deducting the acreage devoted to the commodity on farms on which the commodity is not produced for market, shall be allotted by the local committees of farmers hereinafter provided, among the farms within the local administrative area on which the commodity is produced for market. Such farm allotments shall be equitably adjusted among such farms according to the tillable acreage, type of soil, topography, and production facilities.

The amendment was agreed to.

The next amendment was, on page 16, after line 3, to strike out:

(e) The normal yield per acre for any major agricultural commodity on any farm shall be the average yield per acre for the

commodity thereon during the preceding 10 years adjusted for abnormal weather conditions or, if there is no actual yield, or the data therefor are not available for any year, then an appraised yield to be determined by the regulations of the Secretary. The normal yield per acre shall be first computed during the period in which adjustment contracts are first tendered to farmers under this act and thereafter shall be recomputed during any period in which new adjustment contracts are first tendered to farmers.

The amendment was agreed to.

The next amendment was, on page 16, after line 15, to strike out:

(f) The national average yield for any major agricultural commodity shall be the national average yield per acre for the commodity during the preceding 10 years adjusted for abnormal weather conditions.

The amendment was agreed to.

The next amendment was, on page 16, after line 19, to strike out:

TOTAL SUPPLY AND NORMAL SUPPLY

SEC. 8. For the purposes of this act—

(a) The total supply of any major agricultural commodity shall be the carry-over at the beginning of any marketing year plus the estimated production during the calendar year in which such marketing year begins.

(b) The normal supply for the several major agricultural commodities shall be as follows:

Cotton, a normal year's domestic consumption and exports, plus 40 percent thereof as an allowance for a normal carry-over;

Wheat, a normal year's domestic consumption and exports, plus 20 percent thereof as an allowance for a normal carry-over;

Field corn, a normal year's domestic consumption and exports, plus 5 percent thereof as an allowance for a normal carry-over;

Rice, a normal year's domestic consumption and exports, plus 5 percent thereof as an allowance for a normal carry-over;

Tobacco, a normal year's domestic consumption and exports, plus 180 percent of a normal year's domestic consumption and 50 percent of a normal year's exports as an allowance for a normal carry-over.

Mr. POPE. Mr. President, out of fairness I think I should call the attention of the Senate to the provisions on page 17 which have been stricken out by the committee. This is one of the points which the Secretary of Agriculture raised in his letter.

It will be remembered that the Secretary favored as to wheat and corn the definition of "normal supply" contained in the language which has been stricken out by the committee. We find here, as to wheat, the provision for a normal supply to be a normal year's domestic supply plus 20 percent for a normal carry-over. Then as to corn, "field corn, normal year's domestic consumption and exports plus 5 percent for a normal carry-over."

In an amendment adopted by the committee, which appears later on in the bill, the normal supply of wheat is defined as domestic consumption and exports plus 10 percent as an allowance for a normal carry-over and 5 percent, in the definition of a carry-over of corn, is stricken out.

I felt that I should call this to the attention of the Senate in the event the matter should be discussed here. It will arise again, I take it, on the amendment of the committee which appears later under the general heading "Definitions."

Mr. HATCH. Mr. President, is there any other difference between the committee amendment which we will reach later and the original text of the bill except that which the Senator has just pointed out?

Mr. POPE. There is none, so far as the provision as to wheat and corn are concerned, but with reference to cotton, in the cotton section of the bill, it will be found that instead of a 40-percent carry-over there is a 35-percent carry-over contained in that part of the bill. As to rice and tobacco, I am not certain. Someone else will have to answer the question.

Mr. HATCH. I wonder whether the Senator from Louisiana will not explain the difference as to rice and tobacco, so that the Senate may be informed as to the difference between this provision and the committee amendment.

Mr. ELLENDER. Mr. President, will the Senator from Idaho yield?

Mr. POPE. I yield.

Mr. ELLENDER. The difference is that in the case of rice the percentage was increased from 5 to 10 percent. In the case of tobacco, the domestic consumption and export figure was decreased from 180 percent of the normal year's

domestic consumption to 175 percent. With reference to the normal year's export, it was changed from 50 percent to 65 percent.

Mr. HATCH. I should like to ask the Senator from Idaho a question. When we reach the committee amendment, if we wish to change the figure in the committee amendment to the figure in the original text, would the result be the same?

Mr. POPE. The result would be the same, because the definitions of "normal supply" have been placed in different sections of the bill. It occurs to me that would be the better way to approach the matter, rather than to refuse to adopt the committee amendment at this point. That question, it seems to me, can be raised and disposed of later. I merely call attention to it at this time in order that it may be known that this is the text of the original bill to which the Secretary referred in his letter.

Mr. HATCH. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. Was the amendment striking out this provision agreed to?

The PRESIDING OFFICER. The amendment has not been voted on. The Chair was about to put the question when the Senator from Idaho addressed the Chair.

Mr. O'MAHONEY. Mr. President, will the Senator from Idaho yield to me?

Mr. POPE. I yield.

Mr. O'MAHONEY. I was merely about to make an allusion similar to that made by the Senator from New Mexico. I have offered an amendment to the committee amendment with respect to the definition of the normal supply of corn, and I merely desire to give notice that when that committee amendment is under consideration I shall press the change.

Mr. POPE. Mr. President, in my judgment, the thing to do is to adopt the amendment proposed by the committee striking out these provisions of the original text. Then the matter can be disposed of and decided on the committee amendments which appear later in the bill, and upon such amendments to the amendments as may be offered. I think we will be entirely safe in adopting the committee amendment at this point and proceeding with the matter in regular order.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 17, line 19, after the word "diversion", to insert "for wheat and corn", so as to make the subhead read:

Ever-normal granary and acreage diversion for wheat and corn.

The amendment was agreed to.

The next amendment was, on page 17, line 21, after the word "of", to strike out "any major agricultural commodity" and insert "wheat or corn", so as to read:

SEC. 9. (a) Whenever the total supply of wheat or corn as of the beginning of the marketing year has been finally ascertained and proclaimed by the Secretary, he shall thereupon, after hearing as provided hereinafter, establish and proclaim the following:

First, the ever-normal granary for such commodity during such marketing year; but no ever-normal granary shall be established or proclaimed for wheat or corn for any marketing year if the Secretary has reason to believe that during the first 3 months of such marketing year the current average farm price for the commodity shall be more than the parity price therefor.

Second, the percentage, if any, of the soil-depleting base acreage for the commodity to be diverted from the production thereof during such marketing year in order to effectuate the declared policy, but in no event shall such percentage be so great that, upon the basis of the national average yield for the commodity, the total supply of the commodity at the end of the marketing year is likely to be less than the normal supply thereof.

Mr. McNARY. Mr. President, this amendment seems greatly to modify the ever-normal granary, as I had conceived it. I thought the purpose of the normal granary was to carry excesses in order to meet domestic consumption in years of drought and flood. It seems that the Secretary, if he finds that the current average farm price is higher than

the parity price, is not to store up any of these commodities. If that be true, then the theory is that if the current price is high enough, there is no use in taking care of the grain, and we will have an empty granary. That is for this year. But suppose we have a drought next year, and the bins are open; where is the ever-normal granary? I had assumed that when the Secretary of Agriculture said that an ever-normal granary was an institution that carried its bins full of corn and wheat to meet the unexpected and unnatural conditions such as have obtained in the last 4 years, when our normal supply of wheat was very low, less than necessary for the domestic requirements, he would see that the granary was kept full. The whole purpose will be defeated if we put the whole emphasis on the price the farmer is to get for his wheat.

It is said that if the average current price is higher than the parity price, we will not have the granary. For illustration, suppose the average current price of wheat is \$1.30 a bushel and the parity price is \$1.27 a bushel. Operating the first 3 marketing months, the Secretary discovers that, and says: "We will leave the old granary empty. We are not going to fill it up because the farmer is getting more than the parity price."

If this is a price proposition, it is one thing. If the purpose is to assure the drought-stricken States, and the destitute, against the horrible things which come with drought and flood, price fixing, price elevating, has nothing to do with it whatsoever.

It occurs to me that the amendment wholly vitiates the reasonable purpose of an ever-normal granary. I have studied the matter, and that is the way I read it, and I ask the Senator from Idaho if that is the interpretation he places on that language.

Mr. POPE. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. POPE. So long as there is not an oversupply or a surplus of a commodity, the price is likely to stay fairly well up to parity, and when there is a great surplus on hand the price will almost invariably fall below parity. The committee thought that it would not be satisfactory to the farmers, if they had a ready sale and a good price for their commodities, to establish an ever-normal granary, and we thought the chances were that if there were an oversupply there would be a low market, and if there were an undersupply the market would be more likely to be up. So that in practical effect the establishment of an ever-normal granary will come quickly enough, because with an oversupply of a commodity the price will be below parity and the Secretary can act.

It was the judgment of the committee that the purpose of establishing the ever-normal granary was twofold: First, to regulate and increase the prices of commodities; second, to establish the granary for future use.

It cannot be said that the purpose is entirely one thing or the other. Therefore the committee thought that as a practical matter this would work out as well as the provision stricken out, or better.

Mr. McNARY. Mr. President, the Senator has admitted my allegation that this is a price-fixation scheme in order to get the price up to parity. The corn is to be put into storage so long as it is under parity, but if the price is above parity it is to be sold. That is fixing prices. That is attempting to lift the price.

I thought the commendable thing about this ever-normal granary that I have read so much about, which the great altruist, the Secretary of Agriculture, wanted—and that was all I could see in his scheme—was some device by which he could prevent hunger, starvation, and destitution in time of drought and scarcity of production. I thought it was a humanitarian scheme, rather than one selfishly to increase the price levels under an acreage production-control bill.

Mr. President, the Senator has told me all I wanted to know. I hope that provision will go out of the bill in the interest of the Secretary of Agriculture, and, more than that, in the interest of hungry humanity.

Mr. HATCH. Mr. President, in connection with the remarks of the Senator from Oregon, I am just wondering if it is not true that when the parity price of wheat—for instance, \$1.30 a bushel—is reached, that is about all that the consumer could afford to pay within reason. Then if we were to withdraw from the American market places huge supplies of wheat to place them in an ever-normal granary, would not that in itself necessarily boost the price still higher and higher, until the price would perhaps be prohibitive from the standpoint of the consumer; and is not this very provision a protection to the consumers as well as a price-fixing measure for the producers?

Mr. McNARY. No; because the protection to the consumer lies in the provision as to loans on surplus commodities in the warehouses under seal. That is cared for in another provision of the bill. I think the Senator is hemispherically off from a right solution of that problem.

Mr. O'MAHONEY. Mr. President, I ask the Senator from Idaho [Mr. POPE] if I am correct in the assumption that the Secretary in his letter was referring to this amendment, among others?

Mr. POPE. No. If I recall the letter correctly, he was referring to the provisions establishing normal supply levels. It can be seen at once that if a normal supply level consists of domestic consumption plus exports, plus 10 percent for wheat, we shall reach the marketing quotas much quicker than if an additional 20 percent were added to the normal supply.

I think the Senator will remember that in the Secretary's letter he said that the distance to the marketing quota should be greater; that we should not reach it so soon. So that is the feature the Secretary had in mind, rather than this. So far as I know, the Secretary has not made any objection to this feature; at least, I do not recall any.

Mr. O'MAHONEY. Does not the committee amendment actually change the objective of the bill?

Mr. POPE. I think the question should be answered by saying that it does make the measure more clearly a bill in the interest of the growers. We have limited the effect to the consumers, and have sought to give the growers greater power to control their surpluses and prices. As I said the other day, the Secretary in a large, generous way is looking at the consumers more than the committee, and the growers of the commodity are looking at the consumers; but I think, still, the balance between consumer protection and price improvement is not lost.

Mr. O'MAHONEY. Mr. President, the burden of the criticism which has been made against the Secretary's proposal and against the bill in the House is that the Federal Government, through the Secretary, is attempting too great a regimentation, as it is called, of agriculture. The defense which the Secretary makes of his bill is that these so-called objectionable features will not come into effect until there is a clear, definite surplus; in other words, until there is a real emergency. The amendment which the committee offers abandons that ground altogether and brings the control features of the bill into play before there is a real surplus, if the price happens to go down. Is that not correct?

Mr. POPE. Mr. President, I think the Senator is making the statement too strong. The fact that there is a 10-percent cushion in the normal supply of wheat—the Secretary desires a 20-percent cushion—indicates, of course, that the authors of the bill, the Committee on Agriculture and Forestry, and the farmers who are interested in the bill whom we have consulted, desire to reduce the point or lower the point at which they can get action to control prices.

Mr. O'MAHONEY. The Senator will observe that the language which is stricken out provides a 10-percent cushion, and the language which the committee inserts provides no cushion at all.

Mr. POPE. Yes. This is an interesting thing. The Secretary is accused of wanting more power to regiment the farmers, and the fact is that the farmers primarily interested in the bill want to give the Secretary more power. The Committee on Agriculture and Forestry also took that view.

I will say to the Senator that I have found that the farmers—the able, intelligent, responsible farmers—want more power to control their supplies, and therefore control their prices, than the Secretary of Agriculture wants to have contained in a bill. That is the truth of the matter. The very people who are most strongly behind this bill are the ones who want the ever-normal granary limited, and want the point where they can use these marketing quotas reached before the Secretary desires to have it reached.

Mr. O'MAHONEY. Yes; and that, of course, illustrates the point I have in mind. The bill deals with a limited number of commodities.

Mr. POPE. Yes.

Mr. O'MAHONEY. By reason of the fact that it deals with a limited number of commodities, and would have the result of taking out of cultivation certain acres now devoted to the particular crops mentioned here, it constitutes an invitation to those farmers who are thus paid to go into some other commodity, with the result that Senators rise here upon the floor and offer all sorts of amendments designed to prevent the use of the diverted acreage for the production of other crops. That, in turn, brings about a much greater degree of regimentation; as, for example, the amendment which is proposed with respect to the use of diverted acreage for raising dairy herds. A reading of amendments of that kind makes it immediately clear that to enforce such an amendment the Secretary would probably have to appoint a regiment of agents to watch every fence that is constructed, to watch every acre that is diverted, and thereby bring about a much greater amount of regimentation than we have here.

It seems to me that the reasonable procedure, therefore, is to do as the Secretary has asked us to do, and draw this bill in such a manner that the restrictive features, the control features, shall not come into effect until there is a real surplus, until there is an emergency, if one wishes to so say, and a condition in which the regimentation can be defended.

It seems to me in those circumstances the committee amendments should not be adopted.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MCGILL. The other day I undertook when I spoke on this bill to state my position as clearly as I knew how with reference to the difference in the viewpoint entertained by the Secretary of Agriculture, or those who had appeared before the committee at that time from the Department of Agriculture, and my viewpoint. Personally, I think the committee amendments should be agreed to; probably not exactly as they are written but substantially as they are written. However, if a majority of the Senate are—

Mr. O'MAHONEY. Mr. President, may I ask the Senator at that point a question? Am I to understand that the Senator's primary objective is to raise the price of these products?

Mr. MCGILL. Not that alone. Let me illustrate, if I may, what I have in mind. I am not so familiar with the corn situation, but I understand that the amount of corn which has been produced on an average over the period of the last 10 years is substantially all that we have ever used in this country, and it is not exported. If the committee amendments are adopted, the normal supply of wheat, for instance, would be 750,000,000 bushels, which would be 100,000,000 bushels more than we consume in this country and 50,000,000 bushels more than we export from this country and consume here or have exported and consumed during any year since 1930. Under the committee amendments, if they are adopted, a marketing quota could be voted by the farmers when they have on hand 825,000,000 bushels of wheat. That would be about 200,000,000 bushels of wheat more than our domestic consumption and our export market will use. We would have that much of a surplus on hand. Three hundred and ninety-seven million bushels surplus in this country in 1931, 1932, and 1933 drove the price of that commodity down to where the farmers could hardly sell it for enough to pay the cost of transportation to the central markets.

Our committee amendments, if they are adopted, would permit a surplus of 200,000,000 bushels and over before the issue of having a marketing quota could be even voted upon by the farmers. If the Secretary's proposals are adopted—and we are talking about the control features, which I suppose are the marketing quotas which the Senator has in mind—if the Secretary's proposals are adopted, there would have to be at least 907,000,000 bushels of wheat on hand in this country before the farmers would have a right to vote on whether they should have a marketing quota. If, as the bill now provides, they must have on hand 200,000,000 bushels more than would be consumed in this country, or than are bought on the foreign markets and consumed here, then certainly it cannot be said we are keying this bill to price alone. We are keying it to an adequate supply and also furnishing the farmer with the avenue whereby he may have the opportunity of so marketing his commodity as to get a price that is commensurate with his efforts.

My judgment is the committee amendments are liberal enough. However, if others disagree with that, well and good. I wish to say to the Senator from Wyoming that when we shall have 907,000,000 bushels of wheat on hand in this country the price of that commodity will be so low there will be little purchasing power among the wheat farmers of the United States.

The PRESIDING OFFICER. The time of the Senator from Wyoming [Mr. O'MAHONEY] on the amendment has expired.

Mr. MCGILL. Mr. President, if necessary, I will take the floor in order that the Senator from Wyoming may ask me a question and make a speech in connection with it.

Mr. O'MAHONEY. I have no desire to make a speech, but I did want to ask the Senator a question.

Mr. MCGILL. I did not mean to take the Senator off the floor.

Mr. O'MAHONEY. In the House of Representatives today an amendment was adopted, as I read the RECORD hastily this morning, striking out of the House bill altogether the marketing quotas on wheat.

Mr. MCGILL. By the vote of a minority of the House.

Mr. O'MAHONEY. Yes; but the House acted in the constitutional manner, and that feature was stricken out. The thought which it brings to my mind is this:

We are confronted here with a very practical question. There is some doubt in the minds of many Members, if one is to judge by what he hears in the lobbies and in the cloak-rooms, as to just what form this bill will finally take and where it will finally reach its final form. Does it not seem to the Senator that it would be wise to make some concession to this opinion, which has expressed itself first through the Secretary and yesterday through the action of the House of Representatives, opposing the imposition of marketing restrictions until there is a necessity for it?

Mr. MCGILL. In my judgment, upon reconsideration—and I am not predicting what the House will do—when a majority vote on a roll call is had, the bill will not remain with the marketing quota provision stricken out.

I wish to say a word further in response to the Senator. We all recognize that purchasing power is necessary among all agricultural groups. My fear is that the amount required to be on hand before a marketing quota can be voted upon is going to be too large, in the final analysis, and when the bill is finally acted upon by the two Houses.

As I understand, the House bill provided for 1,000,000,000 bushels of wheat before the farmers would have the right to vote on a marketing quota. If we will hold our amendments here down to a point of, say, 825,000,000 bushels, I surmise that when a compromise has been reached between the two Houses an adequate supply will be required of the farmers of the country before a marketing quota can be voted upon.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Nebraska?

Mr. MCGILL. I yield.

Mr. NORRIS. I am very much interested in what the Senator says about the number of bushels which will have to be on hand before this question can be determined by the Secretary. I wish the Senator would give us the source of his information that there would be 950,000,000 bushels of wheat on hand. I do not have that understanding.

Mr. MCGILL. Nine hundred and seven million bushels, as I recall.

Mr. NORRIS. How does the Senator reach that figure?

Mr. MCGILL. If we take the various portions of the bill and analyze them and determine what a normal supply would be, which would be 750,000,000 bushels under the provisions of the bill, then, if we add to that 10 percent for a normal granary, as is provided in this section of the bill, and then if we add to that another 10 percent in order to determine other terms defined in the bill—I do not recall them just at this moment—it will raise the quantity on hand above normal, 750,000,000, by 20 percent; and, as I understand, the bill as it is now written would only allow them to go 10 percent above normal. It is a difference in percentage over and above normal. I have not the amounts in my mind just at this moment, but we figured those things out in the committee.

Mr. NORRIS. I am willing, of course, to take the Senator's computation. I desire to ask him another question.

The Senator, in referring to the action the House took yesterday, followed it with the statement that he thought in conference a compromise would be reached that would be satisfactory. I am afraid this would be the parliamentary situation: Assuming that the House would agree to the amendment that was made yesterday in Committee of the Whole—in the House they have stricken out the entire thing, as I understand—it would not be in conference, and there would not be any such thing as a compromise. If we want to get a compromise, would it not follow that we ought to put something of the kind in the bill, or ought perhaps to follow the suggestions of the Secretary of Agriculture and have a cushion of 10 or 20 percent?

Mr. MCGILL. The Senator may be correct in his conclusion. I am simply stating my position, and I think I am not alone in the position I take.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for just another moment?

Mr. MCGILL. Yes.

Mr. O'MAHONEY. Today we voted down an amendment the purpose of which was to make this a temporary bill. In other words, we declared that we are now dealing with permanent legislation. The Committee on Agriculture and Forestry undoubtedly had before it the view of the experts in the Department of Agriculture that the people of the United States alone can consume the agricultural products of this country at the present time.

Mr. MCGILL. Oh, no; we had no such opinion as that before us.

Mr. O'MAHONEY. I have here a speech which was made in 1934 by Mr. F. F. Elliott, Chief of the Production and Planning Section of the Agricultural Adjustment Administration, in which he said that if all the people in the United States were enjoying a liberal diet, it would mean a step-up of 25 to 30 percent in our feed grain acreage over the present acreage requirements.

Let me say that I have the feeling that we are not going to obtain any permanent solution of the economic troubles that beset us until we find a way of stimulating the purchasing power not alone of the farmer but of all the population, particularly the industrial population; so that in passing permanent legislation it seems to me we should be very careful to set our limit at a point which will not tend to impose what is commonly called the economy of scarcity upon the people of America.

For that reason I intend to vote against the committee amendment, in the belief that I am supporting the program of the Secretary in that regard.

Mr. MCGILL. The Senator has quoted what has been said by Mr. Elliott. I have read numerous statements of a similar character, and I do not believe anyone is competent to say

just exactly how much all the people of the United States would consume if they all had all they would need to consume. I do know, however, about how much we have normally consumed, and I know what we now have on hand. I cannot help knowing that wheat went down from \$1.30 in June to about 94 to 95 cents at this time; and the fact that that is not due to such a supply as is contemplated by the bill as originally drafted, nor by such a supply as is contemplated by the House bill at this time. I think when we guarantee 200,000,000 more bushels than we normally sell either at home or abroad, we are not engaging in a policy of scarcity.

Mr. BARKLEY. Mr. President, I desire to ask the Senator if the amendment proposed by the committee does not restrict the Secretary in his establishment of the ever-normal granary if, during the first 3 months of the marketing year, the farmers are receiving, or are likely to receive, more than parity for their wheat. If so, it seems to me that this amendment tends in the direction of freeing the farmer from any regulation that might ensue as a result of the establishment of an ever-normal granary, provided he is to obtain parity prices for his products.

Mr. MCGILL. For that year.

Mr. BARKLEY. For that year; yes. To that extent, this provision is more liberal to the farmer in the production of crops than the bill would be without it.

Mr. MCGILL. The bill goes further than that, in that it provides that when parity is reached, and an ever-normal granary has been established, the Secretary is obliged to release supplies from the ever-normal granary in order to bring down the price.

Mr. BARKLEY. This simply provides that if, during those 3 months of the marketing year, the farmer shall receive parity or more than parity, then the Secretary shall not establish a granary from which he must make releases later whenever the farmer does receive the parity price.

Mr. MCGILL. If he would establish a granary under such circumstances, he would cause the market to go higher.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. MCGILL. I yield.

Mr. NORRIS. Under the committee amendment, as I understand it, when parity is reached the Secretary opens the doors of the granary. Under the terms of the bill without the committee amendment he would have to wait until the price had gone above parity. Is not that true?

Mr. MCGILL. As I understand, the bill as originally drawn provided for the withdrawing of commodities from the ever-normal granary when the price would go above parity. The amendment, it would seem to me, is in line with that provision in that it provides the Secretary shall not establish a granary when the price is above parity.

Mr. NORRIS. I remember, when the amendment came up for consideration in the committee, there was very little discussion of it. It is one of the points raised by the Secretary in his letter which was read to the Senate the other day. By the way, that is a letter which I thought was very commendatory. I think the Secretary performed a distinct service in sending that letter here, although he has been criticized for it. I thought it was a very fair statement of his position.

Mr. MCGILL. I think he has been eminently fair on all occasions.

Mr. NORRIS. No apology is needed for the letter. I was impressed on this point and one other point as I heard the letter read. Probably the Secretary was right. I am not satisfied in my own mind that he was not, and I am rather of the opinion that if I had to vote now without examining the letter and the amendment further, I would vote against the adoption of the amendment. I wonder if those in charge of the bill would be willing to let the amendment go over, let it be the pending question tomorrow, and let us take a recess at this time?

Mr. MCGILL. I think I could agree with the Senator from Idaho [Mr. POPE] that so far as this particular amendment is concerned it could be adopted and not jeopardize the rights of any Senator with reference to the phases of

the bill we have had under discussion. What we have been saying has been for the purpose of ascertaining each other's viewpoints.

Mr. BARKLEY. Mr. President, I had hoped we could proceed with consideration of the bill down to title II, on page 21. We have made very little progress on the bill today.

Mr. McNARY. Mr. President, on page 19, subparagraph (c), is an amendment which I desire to have go over.

The PRESIDING OFFICER. The pending amendment is on page 18.

Mr. McNARY. I appreciate that. I am willing to have that disposed of. The Senator from Nebraska would like to have it go over, and I want the amendment on page 19, beginning at line 10, to go over.

The PRESIDING OFFICER. Does the Senator prefer that request?

Mr. BARKLEY. We have not reached that amendment yet.

Mr. McNARY. No; I am merely giving notice.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 18, lines 1 to 7.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment of the Committee on Agriculture and Forestry was, on page 18, to strike out lines 8 to 13, both inclusive, as follows:

The ever-normal granary shall be such supply, in addition to the normal supply but not in excess of 10 percent thereof, as will maintain a surplus reserve adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions as well as in years of plenty.

The amendment was agreed to.

The next amendment was, on page 18, line 24, after the word "production", to strike out "of any major agricultural commodity" and insert "of wheat or corn", so as to read:

(b) Adjustment contracts shall require cooperators engaged in the production of wheat or corn for market to divert from the production of the commodity during any marketing year the percentage of the soil-depleting base acreage for the commodity proclaimed by the Secretary under this section. Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage diverted from the production of the commodity, as shall be provided in his adjustment contract.

Mr. AUSTIN. Mr. President, I understood that amendment went over at the request of someone.

The PRESIDING OFFICER. The Chair is informed that this amendment has not yet been considered. The Chair is informed that the amendment to which the Senator refers is on page 14, line 2, which went over at the request of the Senator from New York [Mr. COPELAND].

Mr. AUSTIN. I have found the amendment to which I referred. It is on page 19, lines 6 and 7.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee beginning at the bottom of page 18.

The amendment was agreed to.

The next amendment was, on page 19, after line 9, to insert:

(c) Adjustment contracts shall require a cooperator engaged in the production of wheat or corn for market to store under seal his stock of the current crop thereof up to an amount not exceeding the normal yield of 20 percent of his farm's soil-depleting base acreage for such commodity if the Secretary, at any time during the marketing year for such crop or within 30 days prior thereto, determines that such storage is necessary in order to carry out during such marketing year the declared policy of this act with respect to the commodity; but such storage shall not be required if the Secretary has reason to believe that during the ensuing 3 months the current average farm price for the commodity will be more than the parity price therefor. Such storage shall be for the period of the marketing year or such shorter period as the Secretary shall prescribe. Cooperators shall be entitled to obtain from the Surplus Reserve Loan Corporation surplus reserve loans in respect to stocks stored as required by the Secretary under this subsection.

Mr. McNARY. Mr. President, I ask that that go over until tomorrow.

The PRESIDING OFFICER. Without objection, the amendment will be passed over until tomorrow. The next amendment will be stated.

The next amendment was, on page 20, line 6, after the word "producers", to strike out "any major agricultural commodity" and insert "corn or wheat"; in line 16, after the word "produces", to strike out "any major agricultural commodity" and insert "wheat or corn"; in line 20, before the word "corn", to strike out "field"; and in line 21, after the word "one", to strike out "major", so as to read:

(c) If any cooperator during any marketing year produces corn or wheat on acreage in excess of his soil-depleting base acreage for such commodity or fails to divert from the production of any such commodity the percentage of his soil-depleting base acreage therefor required pursuant to this section, then for such marketing year such cooperator shall be deemed a noncooperator and shall not be entitled to surplus reserve loans or parity payments with respect to his production of the commodity for such marketing year. In determining whether or not any cooperator during any marketing year produces wheat or corn on acreage in excess of his soil-depleting base acreage for such commodity or fails to divert from the production of any such commodity the prescribed percentage of his soil-depleting base acreage therefor, wheat and corn shall be considered as one agricultural commodity.

The amendment was agreed to.

The next amendment was, at the top of page 21, to insert the following schedule:

SCHEDULE A.—Surplus reserve loan, parity payment, and maximum income rate

If the total supply at the beginning of the marketing year, in terms of a percentage of the normal supply, is as follows:	Loan, parity payment, and maximum income rates are the following percentages of the parity price at the beginning of the marketing year		
	1	2	3
	Surplus reserve loan rate for wheat and corn	Parity-payment rate for cotton, wheat, and corn ¹	Maximum income rate
	Percent	Percent	Percent
Up to 100.....	85	15	100
100 up to 101.....	82	16	98
101 up to 102.....	79	17	96
102 up to 103.....	76	18	94
103 up to 104.....	74	19	93
104 up to 105.....	72	20	92
105 up to 106.....	70	21	91
106 up to 107.....	68	22	90
107 up to 108.....	66	23	89
108 up to 109.....	64	24	88
109 up to 110.....	62	25	87
110 up to 111.....	60	26	86
111 up to 112.....	58	27	85
112 up to 113.....	56	28	84
113 up to 114.....	54	29	83
114 or more.....	52	30	82

¹ If the parity payment rate is greater than the difference between the current average farm price and the maximum income rate, then the parity payment is computed at a rate equal to such difference. (See sec. 6.)

The amendment was agreed to.

Mr. HATCH. Mr. President, I have been informed that certain Senators who are not now present desire to offer an amendment to the schedule appearing at the top of page 21, the amendment which has just been adopted.

Mr. BARKLEY. Mr. President, if any Senator desires to do that we can reconsider tomorrow the vote by which the amendment was adopted.

Mr. HATCH. Very well. With that understanding, I shall be satisfied.

Mr. POPE. Mr. President, in order that the amendment, which I proposed today in connection with dairying matters in the bill, may be available, I ask that it may be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be printed and lie on the table.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on the Judiciary, reported favorably the nomination of John H. Druffel, of Ohio, to be United States district judge for the southern district of Ohio.

Mr. THOMAS of Utah, from the Committee on Education and Labor, reported favorably the nomination of Nathan Straus, of New York, to be Administrator of the United States Housing Authority.

The PRESIDING OFFICER (Mr. CLARK in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Victor E. Anderson to be United States attorney for the district of Minnesota.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters on the Executive Calendar be confirmed en bloc, with the exception of the nominations of West Virginia postmasters, on which action was postponed last week.

The PRESIDING OFFICER. Without objection, the nominations of postmasters on the Executive Calendar, other than the West Virginia nominations, are confirmed en bloc. That completes the Executive Calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 19 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, December 8, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 7 (legislative day of Nov. 16), 1937

UNITED STATES ATTORNEY

Victor E. Anderson to be United States attorney for the district of Minnesota.

POSTMASTERS

KANSAS

Clarence E. Yockey, Erie.

OKLAHOMA

Cara M. Masters, Cardin.

Ruth I. Corbin, Delaware.

James A. Deaton, Howe.

Vivian P. Waddill, Milburn.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 7, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, Thou changeless One, who art the eternal haven of the soul: Blessed is the man whose strength is in Thee. Enable us to give Thee the chief place in our lives. We pray Thee to empty us of excessive selfishness and pride. May we be blest with pardon, grace, and tranquillity born of a supreme faith. Let us not fail of our exalted privilege in serving a great and patriotic people. By these sacred moments of prayer, may we be prepared to meet the duties of the day. With freshened vigor help us to be unafraid of the present, and support us with the courage of the future; touch us by the majesty of Thy power and